

CHAPTER 11

TRAVEL

INTRODUCTION

The Department of Administration (DOA) has the responsibility to promulgate and enforce rules relative to travel. [IC 4-13-1-4 (7)] The State Budget Agency is responsible for reviewing and approving the rates, policies and procedures (travel rules) governing travel prepared by DOA. The approved state travel rules can be found in Financial Management Circular 2003-1 which is included as Attachment A of this chapter.

The travel rules must be followed when board and commission members, officials, state employees of the executive branch of government, or contractors travel on official state business. Administrative personnel in each agency must become familiar with the travel rules in order to assist in planning agency travel and preparing or authorizing travel vouchers. This chapter begins with some general information, followed by an overview of the travel voucher process, followed by instructions and an example of a travel voucher form.

OVERVIEW OF TRAVEL VOUCHER PROCESS

State employees and officials who are authorized to travel on state business will be reimbursed for travel expenses in accordance with the travel rules. In order to obtain reimbursement for any travel, the official or employee must complete and file a Form 980, Travel Voucher. Original receipts must be attached to support claims for lodging or miscellaneous expenses. Receipts are not required for claims of personal vehicle mileage or for subsistence (meal) allowances. Whenever possible, all claims for travel for a particular biweekly or monthly period should be filed at the same time. Travel vouchers should not be filed more than twice each month, except that out-of-state travel may be filed for each trip.

It is the sole responsibility of the agency to pre-audit all travel vouchers to make certain the travel was authorized, the voucher was prepared correctly, and that the claim complies with the travel rules. The administrative head of the agency, or other authorized personnel, can then sign each voucher as approved.

Approved travel vouchers are batched by fund/center and assigned a document number. The batched documents are listed on a Voucher Abstract, Form A-3, and submitted to the Auditor of State's office. The Auditor of State issues payments for each travel voucher and records the expenses. The electronic payment remittance slips are given to the agency with a copy of the voucher abstract. The agency verifies the payment amount and expense entry and distributes the remittance slip to the proper recipients.

The travel voucher process described above includes various detailed instructions, criteria, and procedures. Further information is provided in the travel rules for acceptable receipt criteria. Agency procedures used to pre-audit travel vouchers, assign document numbers, and verify payments and reported expenditures are provided in the following sections. The various travel forms are given with instructions for each. The forms are summarized on the following page.

SUMMARY OF FORMS TO BE USED

Form 980 Travel Voucher - Used by state employees and board or commission members to itemize travel expenses for reimbursement. State contractors must use a claim voucher. Out-of-state travel must be submitted on a separate voucher from in-state travel. See the example and instructions.

Form A-3 Voucher Abstract - Summary form for processing one or more travel vouchers. Required even if only processing one travel voucher. See the example and instructions.

Form 823 Authorization for Out-of-State Travel - This form is used to document the prior approval of the Department of Administration, which is required for all official out-of-state travel. This form is attached to the travel voucher or any claim for an out-of-state travel expense. See the "Out-of-State Travel Authorization" section later in this chapter.

INSTRUCTIONS FOR PREPARING THE TRAVEL VOUCHER

The numbers below correspond to the numbers on the travel voucher example. The form should be completed legibly in ink or typed.

1. Employee's Name

Enter the last name, followed by a comma, and then the first name and middle initial. If the claimant is not an agency employee, then disclose the relationship to the agency in brackets to the far right of the name. Such as: Richman, Rich B [Board Member]

2. Employee's Address

Four lines are available for the traveler's home address. Up to thirty characters can be entered on each line.

3. Document Number

The agency assigns each voucher a unique document number from a sequential series.

4. Agency Name

5. Post or Station

Enter the location of the assigned permanent office. If the station is designated as the traveler's home, then it may be filled in "same."

6. Date

The date the document number is assigned.

7. Agency Number

Enter the three digit agency number.

8. Social Security Number or Federal I.D. Number

Enter the number that applies to the payee, preceded by a zero making this a ten digit number. The federal I.D. number may apply to direct payments to vendors, such as airlines, for travel arrangements made on behalf of employees or board members. If the vendor has more than one location, please also enter the two digit group location code. See vendor inquiry section in the Expenditure Chapter for more information.

9. Voucher Columns

- a. Specific details should be shown for each trip or each day of travel. Reimbursement for out-of-state travel must be claimed on a separate voucher from in-state travel.
- b. The starting point and destination should be shown in the "From" and "To" columns, respectively.
- c. The time of departure and arrival shall be shown when the subsistence allowance is claimed. For overnight travel, only the time of departure on the first day, and the time of arrival on the last day must be shown, regardless of the number of total days.
- d. For overnight travel, enter the amount of the lodging expense incurred for each night up to the amount of allowable single room rate plus taxes.
- e. The total amount of the subsistence allowance claimed for each day is entered in the "Subsistence Other Expense" column. List reductions for meals provided. If all meals are provided, then make no subsistence claim. A flowchart is provided on page 11:35 to aid in determining the proper amount of subsistence that may be claimed.
- f. Reimbursement for official travel by personal vehicle is claimed in the Travel Expenses section. List official travel within a city or town separate from travel between cities and towns. Itemize the vicinity driving by entry of each of the addresses to and from with the corresponding mileage. Detours which increase mileage over that shown on the Indiana State Highway Map must be indicated. An entry for the total vicinity or area driving mileage can be made when an official agency form providing the same (or more) detail is attached.

Separate entries should be made in the "Travel Other Expense" column for all other reimbursable items of expense, except personal vehicle mileage. Examples include: parking, tolls, registration fees, airfare, bus, railroad, taxi, or rental car. Enter the description of each expense item claimed in the "travel between points" section.

- g. Enter the total of each column - lodging expense, subsistence other expense, travel other expense, number of miles, and mileage. If more than one Travel Voucher form was required to itemize the claim, then specify the "Total of ___ # of pages" on the top form.

10. Amount

Enter the total amount of the claim for the expense object number specified in the below box. When more than one travel voucher is needed for a traveler's claim, then complete this section on the top page only.

11. Fund/Object/Center

The fund and center must be the same for all of the boxes on the same voucher. In-state travel expense objects are as follows:

<u>Object</u>	<u>Description</u>
581500	Subsistence or meal allowance, and lodging expense.
581600	Mileage Reimbursement Only.
581400	All other travel expenses.

For out-of-state travel objects, see the Out-of-State Travel Claims section of this chapter.

12. Gross Amount

Enter the total of all object categories. This must also equal the column totals. Claimants submitting multiple page travel vouchers must leave this section blank on all but the top page.

13. Signature of Employee (or Traveler) and Date Signed

The travel voucher form submitted to the Auditor of State must contain the original signature on all pages.

14. Signature Authorized by Agency and Date Signed

The authorized agency signature must be on file at the Auditor of State's office (Signature Stamp may be used).

Attach the original receipts and documentation for all expenses claimed except meal or mileage allowances.

TRAVEL VOUCHER ILLUSTRATION

All in-state travel.

Feb. 1 - Overnight trip, use of personal auto, claiming maximum allowable and actual lodging plus other subsistence expense.

Feb. 2 - Return trip, claiming maximum of other subsistence expense.

Feb. 1 - Round trip, use of personal auto and claiming dinner allowance for one day travel. Travel actually started and ended at home, but mileage was less from station, which is being claimed.

Feb. 7 - Round trip, claiming return to home since it is less than returning to station. Travel actually started at station and actually ended at home.

Feb. 8 - Two (2) overnights, four (4) different locations, claiming maximum other subsistence expense and actual lodging. Either rode with another person or used a Motor Pool vehicle; therefore, no mileage is being claimed.

Feb. 10 - Three (3) overnights, two (2) different locations, claiming a half day other subsistence expense for both the first and last day of travel because of less than twelve (12) hours each day.

Feb. 18 - Round trip, claiming breakfast allowance. Travel actually started and ended at home, but mileage was less from station, which is being claimed.

Feb. 21 - Overnight, used airlines (more common for out-of-state) claiming actual lodging and maximum other subsistence expense, claiming round trip transportation for each airport as well as the airfare and a registration fee.

Long-term parking is allowable for leaving auto at the airport.

The registration fee included one furnished lunch.

TRAVEL VOUCHER

State Form 980 (R10/25-00)

Approved by State Board of Accounts, 1996

Approved by Auditor of State, 1996

Document Number	(3)
T499A00001	
Agency Name	(4)
Indiana State Board of Accounts	

Date (Month, Day, Year)	(6)
02/02/06	
Agency Number	(7)
080	

Employee's Name (Last, First, MI)	(1)
HARRY, TOM DICK	
Employee's Address	(2)
1234 Gravel Lane Abyz, Indiana 46299	

Post or Station	(5)
Indianapolis, Indiana	

Social Security Number	(8)
012-34-5678	

OR	
Federal I.D. Number	(8)

This agency is requesting disclosure of your Social Security Number or Federal I.D. Number in accordance with IC 4-1-8.

(a) (b) (c) (d) (e) (f) (9)

2006	Travel Between Points		Hours of		Subsistence		Travel Expenses		
Month/Day	From	To	Departure	Arrival	Lodging Expense	Other Expense	Other Expense	No. Miles	Mileage x 0.40
2/1	Station	Ft. Wayne	7:15 AM		86.90	26.00		120	48.00
2/2	Ft. Wayne	Station		4:00 PM		26.00		120	48.00
2/4	Station	Evansville & Return	7:30 AM	9:15 PM		13.00		324	129.60
2/7	Station	Richmond						72	28.80
2/7	Richmond	Home						50	20.00
2/8	Station	Terre Haute	8:15 AM						-
	Terre Haute	Evansville			71.50	26.00			-
2/9	Evansville	Madison							-
	Madison	Seymour			47.25	26.00			-
2/11	Seymour	Home		6:00 PM		26.00			-
2/14	Station	Gary	3:00 PM		55.00	13.00		151	60.40
2/15	In Gary				55.00	26.00			-
2/16	Gary	Lafayette			66.00	26.00		90	36.00
2/17	Lafayette	Station		11:00 AM		13.00		61	24.40
2/18	Station	Columbus & Return	5:00 AM	5:30 PM		6.50		88	35.20
2/21	Station	Evansville	6:15 AM		40.70	26.00			-
2/22	Evansville	Station		7:00 PM		26.00			-
	Round Trip Mileage - Station to Airport							18	6.12
2/21	Round Trip Airfare						175.00		-
2/21	Taxifare - Airport to Hotel						10.00		-
2/22	Taxifare - Hotel to Airport						10.00		-
2/22	Airport Parking						5.00		-
2/21	Registration Fee						50.00		-
2/21	Loss - Lunch Furnished					(6.50)			-

Amount	(10)	\$ 250.00
FUND/OBJECT/CENTER	(11)	
1000/581400/100800		

Amount	(10)	\$ 695.35
FUND/OBJECT/CENTER	(11)	
1000/581500/100800		

Amount	(10)	\$ 436.52
FUND/OBJECT/CENTER	(11)	
1000/581600/100800		

Amount		
FUND/OBJECT/CENTER		

(12)	
Gross Amount \$	1,381.87

Supervisor: Mike Hoose

Totals	\$ 422.35	273.00	250.00	1,094	436.52
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Pursuant to the provisions and penalties of IC 5-11-10-1, I certify that the foregoing Fund and Center is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

I certify that this voucher is correct, that the travel was authorized, that the claim is a proper charge against the Fund and Center indicated and that payment was authorized.

Signature of Employee	(13)	Date (Month, Day, Year)	Signature Authorized by Agency	(14)	Date (Month, Day, Year)
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USE OF TRAVEL AGENCY

The Department of Administration has contracted with a travel agency to be the sole travel agent authorized to arrange official state travel. All airline travel is required to be arranged by the travel agency, whether the destination is in-state or out-of-state. The travel agency is located in the Government Center. (Contact the state's travel coordinator at the Department of Administration for the travel agency's phone number and location.) Their staff can also locate the most reasonable rates and reserve rooms, rental cars, or conference centers.

The state travel agent may only be used by current state employees who are conducting state business and have received travel approval. If a state employee is accompanied by a non-state employee while traveling on state business, the travel agent may make reservations to accommodate both parties with written approval from the agency supervisor. The travel agent may make extended-stay reservations for a current state employee.

CASH ADVANCES

With the appointing authority approval, cash advances can be issued from the agency's SDO account to a state employee traveling on state business for one hundred percent (100%) of the estimated eligible expenses. Eligible expenses include bus or train tickets, hotel base rate plus applicable taxes, and registrations. Cash advances are not to be issued for subsistence or other expenses.

Employees that receive an advance must sign a form acknowledging the amount received and agree to reimburse the agency the cash advance upon receipt of their travel reimbursement through the Auditor's office. (A standard travel advance form is shown on page 11:9.) Employees must submit their travel vouchers timely after completion of the trip.

Agencies giving cash advances must have procedures for employees to request the advance, obtain supervisory or management approval of the advance, and ensure advances are reimbursed timely. Agencies must have a record of all cash advances. The record must include date advance was made, to whom, the dollar amount, and when the advance was reimbursed.

LEAVE OF ABSENCE

Leaves of absences taken while in travel status such as weekends, holidays, vacation, or personal leave must be shown on the travel voucher. Neither subsistence nor lodging expenses may be claimed when the employee is using vacation or personal leave. Weekends or holidays are only reimbursed if prior approval was granted by the Department of Administration, due to documented savings to the state.

Allocate the cost of an automobile rented for the combination business/personal trip, according to the travel rules. List the calculation on the travel voucher description section. Enter only the amount claimed as state business use in the other travel expense column.

TRAVEL CARDS

Travel cards are issued through the Department of Administration. Agencies must receive authorization for categories .8 and .9 on the SDO account prior to using travel cards. The agency should pre-audit all travel vouchers to ensure the travel was authorized and verify expenses to determine if they are in compliance with state travel rules. The reimbursement should be made through the SDO account following the same rules for Debit cards as outlined in Chapter 7 of this manual.

DIRECT PAYMENTS

When direct payments of travel expenses are made, the agency must list the names and titles of those for whom the expenses were paid. Each travel voucher should be cross referenced to the direct pay document. On each travel voucher, enter in brackets the item description and the document number referenced. [For example, registration fee paid by C080A00352]. On the agency's copy of the claim voucher, enter each employee's travel voucher document number which paid the balance of the expenses.

Form 823, Authorization for Out-of-State Travel must be submitted with each claim for such travel expenses whether paid direct or reimbursed.

If airline tickets are paid directly by the agency, then the agency must still require the traveler to submit the passenger itinerary. It should be attached to the original claim sent to the Auditor's Office, if they are available at the time. If the tickets are paid for prior to the trip dates, the itinerary should be filed with the paid invoice and claim voucher in the agency files.

Note: It is strictly prohibited for personal travel companion tickets to be placed on state accounts.



TRAVEL ADVANCE

State Form 49630

Approved by State Board of Accounts-2000

Name of Employee _____

Division/Section _____

Dates of Travel _____

Mode of Travel _____

Estimated Expenses:

\$ _____

\$ _____

\$ _____

\$ _____

Hotel

Bus, train, or airfare

Registration

Total

Purpose of Trip:

Approved by: _____ Date: _____

Travel Advance: Check Date _____ Check Number _____ Amount \$ _____

Employee Certification:

I understand that this cash advance is to be used for allowable hotel, transportation, and registration costs relating to this trip and is not made for meal and other costs cover by per diem.

I also understand that I am to submit a properly completed travel voucher within one week after the completion of this trip and that I am to return the amount of the cash advance promptly after receiving the travel reimbursement from the state.

Signature of Employee

Date

Reimbursement of Travel Advance:

Date Received: _____

Amount Received: _____

Employee's Check Number: _____

STEPS NECESSARY TO APPROVE TRAVEL VOUCHERS

In order for the agency to approve travel vouchers for payment by the Auditor of State, the voucher must be pre-audited to ensure that:

1. Travel was authorized.
2. The number of miles listed for mileage reimbursement is reasonable. The official State Highway Map must be used.
3. Original receipts are attached to the claim which support all expenses claimed except mileage and meal allowances. The receipts comply with the receipt requirements.
4. The claim complies with the travel rules; specifically that:

In-state lodging does not exceed the current maximum reimbursement rate stipulated by the Department of Administration. [Currently, \$79 plus taxes per night, \$93 plus taxes per night for Indianapolis area.]

Meal allowances comply with times listed for travel status. [Provisions for Board Members differ from those for employees.]

Prior approval of the Department of Administration is documented for all claims for week-end or holiday stays, and out-of-state travel.

The agency's written determination is attached to support a claim for an overnight stay fifty miles or less from the home or station.

Out-of-State travel claims are limited to amounts and types of expenses approved.

5. Verify the accuracy of the claim. Add columns down and across or verify an attached calculator tape. Determine a proper reduction was made for meals provided or auto rental for a personal/business trip.

AGENCY ASSIGNMENT OF DOCUMENT NUMBER

The agency may establish separate series of travel document numbers for in-state and out-of-state travel or for each fund/center with travel expenses. Each series must have document numbers assigned sequentially.

The travel voucher document number consists of ten characters as described below.

T###XXXXXX

T	Identifies Document as Travel Voucher
###	Agency Number
XXXXXX	Agency Assigned Document Number (Alpha-Numeric)

Prior to assigning document numbers, the travel vouchers must be approved by the agency and organized into voucher abstract batches. Separate batches are required for each fund/center. Also, in-state travel must be submitted separately from out-of-state travel. For each batch, you may want to put travel vouchers into social security number order since warrants are issued in that order. Assign each travel voucher within the batch a consecutive document number. Enter the date and document number on the travel vouchers in the spaces provided. Complete the voucher abstract as explained in the next section.

VOUCHER ABSTRACT, FORM A-3

The voucher abstract form is used to summarize a batch of vouchers transmitted to the Auditor of State. The form is required even if processing only one travel voucher. All documents in a batch are to be recorded to the same major expense category for the same fund/center. An example of a completed voucher abstract form is given on the next page. Instructions are as follows.

Enter the starting and ending document numbers and date for the batch in the "Document Number" section. If the voucher abstract is transmitting one document, enter that document number as both the starting and ending number.

Complete the "Agency Fill In" section. If the entire batch is to be recorded solely to one expense object, specify the object on the fund/object/center line. Otherwise, enter "see below" to refer to the Payee section.

In the Payee section, list each payee's name exactly as shown on the travel voucher. If the object was not specified on the fund/object/center line, create columns for each travel object included on the voucher abstract. Classify the amount of each expense object for each voucher. Enter the gross amount of the travel voucher in the amount column. After summarizing all attached travel vouchers, enter "Grand Total" and list the total of each object column and the gross amount column. Verify that these total down and across.

TRANSMITTAL TO AUDITOR OF STATE

Retain a copy of all travel vouchers and attachments such as receipts, forms, or correspondence. The copy should not be made prior to the authorizing signature. File numerically by travel voucher number.

Send the original travel vouchers and attachments with two copies of the voucher abstract to the Auditor of State's office. Retain one copy of the voucher abstract in a pending file.

AGENCY PROCEDURES UPON PAYMENT ISSUANCE

Follow instructions in Chapter 5 for receiving payment documents from the Auditor of State.

After completing all verification procedures detailed in Chapter 5, file the completed voucher abstract with a copy of the travel vouchers.

**VOUCHER ABSTRACT – FORM A-3**

State Form 22933 (R 3/1-96)

Approved by State Board of Accounts, 1996.

AGENCY NOTICE:

Use this form as a cover transmittal for vouchers chargeable.

Send two copies to the Auditor of the State of Indiana.

DOCUMENT NUMBERS

Starting Number T499A00001

Ending Number T499A00006

Date (Month, Day, Year) 2/28/2006

SIGNATURES FOR APPROVAL

Department of Administration Signature

Date Received (Mo., Day, Yr.)

Date Approved (Mo., Day, Yr.)

Budget agency Signature

Date Received (Mo., Day, Yr.)

Date Approved (Mo., Day, Yr.)

AGENCY FILL IN

Fund / Object / Center 3610/see below/146300

Agency Name Department of Environmental Management

Agency Number 495

AGENCY LEAVE BLANK

Control Group Number

PAYEE

(Double space, use reverse side if necessary)

AMOUNT

Harry, Tom Dick

581400581500581600

Harry, Tom D.

658.95

556.32

1,215.27

Wright, Dixie

2.00

12.00

32.75

46.75

Jones, Jim

52.25

52.25

Crane, Martha

240.00

48.00

5.25

293.25

Fortner, Mike

195.00

24.00

53.50

272.50

Bell, John

85.50

85.50

437.00742.95785.57

TOTAL: \$ 1,965.52 -

OUT-OF-STATE TRAVEL AUTHORIZATION

Written authorization is required before an employee begins official out-of-state travel, whether or not paid by the state. State Form 823, Authorization for Out-of-State Travel is used to document the request and approval. Authorization requirements are specified in the travel rules.

IT IS OF UTMOST IMPORTANCE THAT THE REQUEST FOR AUTHORIZATION FOR OUT-OF-STATE TRAVEL FORM BE PROCESSED WELL IN ADVANCE OF THE INTENDED TRAVEL. Agencies must submit the form to the Department of Administration a minimum of 30 days prior to the trip. The approved Authorization for Out-of-State Travel form must accompany all vouchers for state payments related to the trip. Agencies should not let employees travel until the approved forms are received. Employees traveling without prior approval could forfeit reimbursement for their expenses.

A copy of the Authorization for Out-of-State Travel, Form 823 is provided on the next page. The form must be completely filled in and approved by the appropriate agency official. In the case of conferences, seminars, and similar programs when registration fees are required, a copy of the conference brochure or agenda should be attached. The information attached should describe the subject matter of the program and, at the least, state the dates and times for the conferences.

Explanation of some of the required information for the form is provided as follows:

<u>Line #</u>	<u>Description</u>
1	Agency request numbers are sequential numbers assigned by the agency and should start with "1" for each fiscal year. (i.e., AP770001)
4	Enter the fund/center number as the account number.
8	Identify all weekends, holidays, as well as other leaves of absence planned.
16	The purpose of travel should be thoroughly explained. A one sentence description is insufficient.
17-23	Estimated expenses must be listed for the categories shown. Do not submit the form with a total dollar amount only. Obtain the estimated expenses by phoning the contracted travel agency. Airline travel is required to be arranged by the state's authorized travel agency. All expenses incurred for out-of-state travel are to be listed on the form regardless of object code.

Upon agency completion and approval of the Authorization for Out-of-State Travel form, the agency retains one copy and forwards the remaining four copies to the Commissioner of the Department of Administration for approval. The request is then forwarded to the Budget Agency as required. If the request receives final approval, two copies with all signatures are returned to the agency. Note: The out-of-state request for travel may be disapproved at any time during the processing. If this happens, the entire request is returned to the originating agency intact.

Certain agencies obtain annual authority for incidental cases of crossing state lines or partial day out-of-state travel, which does not require an overnight stay. Copies of the approval letter for the specified travel purpose must then be attached to applicable travel claims.



AUTHORIZATION FOR OUT OF STATE TRAVEL

State Form 823 (R6 / 5-06) Formerly G-10
Approved by the State Board of Accounts 2006

1. Agency Request Number
2. Date of request (month, day, year)

INSTRUCTIONS:

In requesting authorization for an employee to travel out of state on official business, this form must be submitted a minimum of two (2) weeks prior to date of departure. A separate form must be submitted for each employee for whom permission is requested. This form must be typed.

3. Name of agency		4. Account number	5. Employee telephone number
6. Name of employee (last, first, middle initial)		7. Position title / grade / rating	8. If any portion of this trip to be personal vacation? If Yes, give dates <input type="checkbox"/> Yes <input type="checkbox"/> No
9. Origin of trip	10. Destination of trip		
11. Date and time of departure	12. Date and time of return	13. Identify employees going on same trip	
14. Date and time meeting starts	15. Date and time meeting ends		
16. Purpose of travel (use this space to give reasons for the trip and why it is in the interest of the State that the travel be approved. Include the name of the company, workshop, seminar or meeting. YOU MUST ATTACH A COPY OF THE PROGRAM OR SCHEDULE INCLUDING DOCUMENTATION OF DATES, LOCATION, REGISTRATION AND LODGING.)			

		RATE	AMOUNT
17. Registration Fees			\$
18. Transportation	<input type="checkbox"/> Air <input type="checkbox"/> Bus <input type="checkbox"/> Train <input type="checkbox"/> State Car		\$
	<input type="checkbox"/> Automobile (personal) _____ Miles X	.40	\$
	<input type="checkbox"/> Automobile (rental) (attach justification and costs)	\$	\$
19. Lodging (including taxes)	Number of days _____ x	\$	\$
20. Daily Subsistence (per diem)	Number of days _____ x	\$	\$
21. Other (parking, taxi, etc.)	(explain below)		\$
22. Explanation		23. Total Estimated Cost \$ (if no expense to State, explain)	
I certify that the requested travel is in furtherance of State business except as indicated above, and that my reimbursable expenses will be limited to the amounts indicated above.			
24. Signature of traveler		Date signed (month, day, year)	
25. Signature and title of approving agency official		Date signed (month, day, year)	
Authorization to travel out of state will be granted only if all approval signatures below have been acquired.		IDOA number	
Signature of Commissioner, Department of Administration		Date signed (month, day, year)	
Signature of Budget Director (if required by travel regulations)		Date signed (month, day, year)	

White-Dept. of Administration, Green-Budget Agency, Canary-Agency, Pink-Agency, Goldenrod-Originator (detach only this copy, forward all others to Dept. of Administration)

OUT-OF-STATE TRAVEL CLAIMS

Travel vouchers for out-of-state travel must be prepared, pre-audited and processed in the same manner as in-state travel claims. Attach the approved Authorization for Out-of-State Travel form to the travel voucher with the required receipts. All claims for a particular out-of-state trip should be filed at the same time. Identify the travel expenses as payable from state or federal funds. The expenses may be allocated between the state and federal objects as appropriate. List the amount for each object in the boxes provided on the right side of the travel voucher. The out-of-state travel objects are as follows:

<u>Object</u>	<u>Description</u>
592400	Mileage Reimbursement - use of state funds.
592500	Travel expenses except mileage - use of state funds.
592600	Travel expenses except mileage - use of federal funds.
592700	Mileage Reimbursement - use of federal funds.

Other objects are provided for legislature travel and state hospitals.

USE OF STATE-OWNED VEHICLES

State-owned vehicles are to be used for official business whenever available and practical in order to incur the lowest possible travel cost. This section is applicable to the use of both agency owned vehicles and motor pool vehicles. It contains: the law for vehicle assignments; procurement justifications; criteria for permanent vehicle assignments; I.R.S. policies for employer provided vehicles; and forms required.

Public law requires that the State Budget Agency and the Department of Administration review and approve agency vehicle purchases and subsequent vehicle assignments. The statute provides that prior to purchase and annually thereafter:

- (1) Elected officials shall justify that their duties require them to travel about the state.
- (2) Department or commission heads shall show that their statutory duties require traveling greater than 1,000 miles per month or that they are subject to official duty call at all times.
- (3) For employees it must be shown that duties require travel in excess of 1,000 miles per month, or that the vehicle is identified by the agency as an integral part of the job.

Commuting miles are not to be included in the 1,000 mile computations. The statute also provides that department heads annually submit justifications for the continued assignment of each vehicle. This justification should be in writing and preserved for audit.

VEHICLE PROCUREMENT, JUSTIFICATIONS REQUIRED

The above facts must be shown to the satisfaction of the director of the Procurement Division of the Department of Administration, or any other agency or person authorized to make state purchases, in order for them to honor a requisition for the purchase of an automobile. [P.L. 246-2005, Section 24, Appropriation Act]

The Department of Administration also requires written justifications to accompany requests for new model year purchases. These are required for orders submitted to the State Motor Pool, as well as direct requisitions.

Approval to purchase vehicles will be made based upon the justifications addressing the following seven items:

- (1) Intended use of vehicle, function to be performed in its daily job.
- (2) Average monthly mileage of official use.
- (3) Vehicle type requested, what is needed to perform functions of the job.
- (4) Funds budgeted for vehicle purchase or lease.
- (5) Does it replace an existing vehicle or add to the state fleet?
- (6) Consideration of consolidating vehicle use. Can one vehicle be used to accommodate two or more needs?
- (7) Extending the useful life of vehicles. Motor Pool now requires 100,000 miles for replacement.

STATE MOTOR POOL

The Department of Administration maintains a State Motor Pool vehicle fleet for use by state employees for official State business purposes. State motor pool vehicles are to be used whenever available and practical in order to incur the lowest possible travel cost. Vehicles may be assigned to an agency on a permanent or temporary basis.

The State Motor Pool also provides the following supplies and services at economical cost: gasoline, tires, maintenance, repairs, wrecker services and auto body repair. These items may be provided for any state vehicle, whether agency owned or from the state motor pool fleet.

Motor Pool charges for vehicles, supplies and services provided are automatically billed to the agency by inter-department transfer transaction on the state accounting system.

State forms required for all Motor Pool vehicle assignments, whether permanent or temporary, are the Vehicle Use Agreement and the Report of Vehicle Mileage and Costs.

The forms and billing process are explained following the requirements for temporary and permanent assigned vehicles.

Note that state vehicle use by employees may have payroll tax implications depending upon use and agency policy. See the I.R.S. Policy Requirements section of this chapter for further information.

Temporary Assignments

This fleet is maintained by the Motor Pool for short term assignments to agencies, not to exceed fourteen (14) days. The daily rate charged will vary according to the type of vehicle assigned. Phone reservations should be made as far in advance as possible. The vehicle must be returned within 14 days. If the agency still requires the vehicle after fourteen days, another vehicle use agreement must be completed and delivered to the Motor Pool with the vehicle. Motor Pool will determine the maintenance requirements of the vehicle, if any, and complete the mileage section of the new use agreement form. The Report of Vehicle Mileage and Costs is also to be completed and submitted by the driver when the vehicle is returned to Motor Pool.

Temporary Assignments - Overnight Retention

The conditions under which a motor pool vehicle may be retained overnight are as follows:

1. When the employee's home is located some distance from the Motor Pool, and such retention would result in a savings in time and distance traveled.
2. If an employee's official state duties require the employee to return from a trip after working hours, the vehicle may be retained at home overnight, provided it is returned to the Motor Pool by 9:00 A.M. the following day.

Note: Vehicles may not be returned after hours or on weekends. Also, there are no daily fees assessed for motor pool vehicles on weekends and holidays, as they generally would not be used.

Permanent Assignments

State agencies may have vehicles assigned for long term use on a permanent basis. A permanent assignment is made when daily business use is required. The vehicles may be assigned in the names of specific employees or designated as pool vehicles for use by various agency employees.

To obtain a permanently assigned vehicle, a formal request letter must be sent to the Motor Pool Superintendent which addresses the seven justification requirements. These are the same justifications required for any new vehicle procurement by the Department of Administration.

The entire cost and responsibility for the permanently assigned vehicle is assumed by the using agency. The "lease" agreement with the state Motor Pool is negotiated for each vehicle obtained. The total cost of the vehicle is billed to the agency over a number of months, as determined by estimated usage. A fixed administrative fee is also billed each month for each vehicle permanently assigned.

Agencies may discontinue their "lease" and return the permanently assigned vehicle at any time. A vehicle should be returned when it is no longer considered necessary or becomes under-utilized, with less than 1,000 miles average monthly official state use. When the vehicle is returned to the Motor Pool, an amount may be charged, or credited, to the agency's fund/center for differences between the total amount paid and the value or sales price realized.

The agency may retain the vehicle at the expiration of the "lease" with no monthly charge, except the administrative fee. The vehicle must, however, remain utilized.

Arrangements can also be made for permanent assignments of a shorter duration, such as 90 days.

Department heads or designated persons should continually monitor usage and condition of permanently assigned vehicles, as well as monthly logs, to ascertain that vehicles are utilized only for their intended purpose and that vehicles are properly maintained.

Agencies with permanently assigned vehicles should maintain a supply of the pocket size State Motor Pool Manual for the vehicles and drivers. The manual can be obtained from the Motor Pool. The manual contains valuable information such as Operator Responsibilities, Safe Driving Tips, locations and phone numbers of the Indiana Department of Transportation facilities for fuel, Vehicle Maintenance Schedules, Repair Procedures, Tire Purchases, and Accident Procedures.

Criteria for Permanent Vehicle Assignment

For employees to be assigned vehicles on a permanent basis it must be shown that duties require travel in excess of 1,000 miles per month, or that the vehicle is identified as an integral part of the job. [P.L. 246-2005, Section 24, Appropriation Act]

Specific criteria for employees to be assigned a state vehicle on a permanent basis were developed for compliance with the above and/or subsequent statutes. Each agency head has discretion to decide whether a vehicle actually can or should be requested to be assigned to a qualifying employee.

To qualify for permanent assignment of a state-owned vehicle, a state employee shall be required to meet at least one of the criteria in Group 1 and at least one of the criteria in Group 2:

Group 1 - A state employee must be assigned:

- (a) To a job requiring the employee to use specialized vehicles or vehicles with specially mounted equipment.
- (b) To a job where normal operation of a vehicle might result in unusual wear and tear, and for which it would be inappropriate for the state to require the employee to use a personal vehicle.
- (c) To a job which generally requires the use of a vehicle for at least one hour per day or for several short trips daily.
- (d) To a job requiring frequent trips totaling more than 1,000 miles a month, excluding the distance between an individual's home and his normal work station.
- (e) To a job requiring an employee to transport, for daily use on the job, bulky equipment, supplies, tools, or reference materials which cannot be easily loaded or unloaded.

Group 2 - A state employee must be assigned:

- (a) To a job requiring an employee to be on call on a recurring basis beyond normal duty hours and, when called out, requiring immediate travel from a residence to a location where skills or services are needed, bringing along tools, equipment or supplies necessary to perform the job.
- (b) To a job involving a continually variable work station, in which travel to a central location to obtain a motor pool vehicle would result in significant amounts of unnecessary travel time and loss of productive hours on the job.
- (c) To a work station with poor vehicle security where overnight or weekend parking of a state-owned vehicle might subject it to vandalism or theft.

The agency must maintain records of permanent and temporary vehicle assignments. The following information should be listed: vehicle identification and description, driver's name, driver's license number and expiration date, station, vehicle location when off-duty, date received, and the date returned.

Vehicle Use Agreement

The Vehicle Use Agreement form is used for both permanent and temporary vehicle assignments. A Vehicle Use Agreement form must be completed fully and properly authorized by the department head of the requesting department. The vehicle operator must present the completed form to the Motor Pool office before a vehicle will be released. Vehicle information is completed by the Motor Pool staff.

When there is a change in driver on a permanently assigned vehicle, a new Vehicle Use Agreement must be completed by the agency with all driver and usage information as requested on the form.

For permanent assigned vehicles, the agency copy (canary) of the Vehicle Use Agreement is sent to the agency.

For a temporary vehicle assignment, the white copy is retained by Motor Pool with the yellow and pink copies returned to the driver until the vehicle is returned. Upon returning the vehicle, the driver submits the yellow and pink copies. Motor Pool logs in the vehicle information and returns the canary copy to the driver. The driver should then submit this to the agency with receipts attached.

A sample vehicle use agreement form is provided on the following page. Note the four items the user agency agrees to that are listed on the bottom half of the form. These become important pertaining to the vehicles permanently assigned to an agency for use by various agency employees. The agency is not required to submit a use agreement for each such driver. However, procedures must be in place to ensure: valid Indiana driver's licenses are held by such drivers; awareness of the No Personal Use policy; requirements for the Report of Vehicle Mileage and Costs; and that the employee is provided a copy of the Motor Pool Manual (pocket size).

Only authorized passengers engaged in official state business may be transported in a state-owned vehicle. Any request for exception to this policy must be submitted in writing to the commissioner of the Department of Administration. Once approval is received, the vehicle driver must complete a Waiver of Liability form. This form is to be kept with the Motor Pool lease paperwork. It should be noted that, while State of Indiana employees are covered by Workman's compensation while in official travel status, no medical or liability insurance coverage is provided for non-employees riding in state vehicles.

Out-of-State Use

Prior approval must be obtained for any out-of-state travel, including the use of a state owned vehicle. A copy of the AUTHORIZATION FOR OUT-OF- STATE TRAVEL (State Form 823), or a copy of the Prior Written Authorization required by employees whose agencies are not a part of the Executive Branch, must accompany a request for a Motor Pool vehicle to be used out-of-state. For temporary vehicle assignments, the fully completed and approved copy of the Authorization form must be submitted to Motor Pool with the Vehicle Use Agreement.

For vehicles permanently assigned, the agency must have procedures to ensure prior authorizations are obtained for any out-of-state use. File a copy of the Authorization, as approved by the Department of Administration, with the agency copy of the Report of Vehicle Mileage and Costs form. Further information concerning out-of-state travel and the AUTHORIZATION FOR OUT-OF- STATE TRAVEL form are provided in the Out-of-State Authorization section of this chapter.

**VEHICLE USE AGREEMENT**

State Form 34193 (R4 / 3-97)

DEPARTMENT OF ADMINISTRATION

OPERATIONS DIVISION - STATE MOTOR POOL

29 N. TIBBS AVENUE

INDIANAPOLIS, IN 46222 (317) 232-1378

INSTRUCTIONS: Form must be completed with typewriter.

Name of department or agency		Year	Make	Vehicle purchase price
Division and account number	Telephone number	Model	Vehicle identification number	
Name of driver		Driver's job classification		
Address (number, street, city, state and ZIP code)		Driver's license number		Date of birth

Location official station	
Location of vehicle off duty parking (lot number or other specific location)	Distance from vehicle off duty parking to official station
Distance from home to official station	Distance from home to State Office Building
NOTE: If location of vehicle off duty parking differs from location of official station, a statement of justification is required. Use attachment.	

Time out <input type="checkbox"/> AM <input type="checkbox"/> PM	Time in <input type="checkbox"/> AM <input type="checkbox"/> PM	Lease rate
Date vehicle issued	Date vehicle returned	Purpose of travel / Destination
Ending mileage		
Beginning mileage		
Total miles used		Number of passengers
Daily temporary charge	Mileage charge	Type of cargo transported
Total temporary charge		
Dispatcher		Vehicle damage (at time of issuance or turn-in) repairs required

User agency agrees to the following:

1. Agency head or designee assumes responsibility for monitoring vehicle use by the assigned driver(s) with regard to compliance with existing state laws, rules, regulations, and guidelines.
2. It is understood by the agency head and assigned driver(s) that this vehicle is NOT to be operated for any personal uses including, but not limited to, commuting or the transporting of other than state employees or agency clients on official business.
3. When not in use on official business (e.g. holidays, weekends, overnight), this vehicle is to be parked adjacent to the driver's official station. Any exception to the parking stipulation must be justified by attachment (e.g. law enforcement personnel on 24-hour duty call).
4. Maintenance of the vehicle according to manufacturer's specifications and keep vehicle road-worthy and clean.

I do hereby certify that I will abide by the policies and requirements of the Indiana State Motor Pool.	Signature of department head requesting vehicle for assignment
Signature of driver	

DISTRIBUTION: White - General Services; Pink - Motor Pool Garage; Canary - Agency

Gasoline Credit Cards

Whenever possible, state vehicles should be fueled at state facilities. Recognizing that state facilities are not always available, the Department of Administration can authorize agencies to obtain commercial fleet gasoline credit cards.

The responsibility for the issuance, use and safekeeping of gasoline credit cards should be with a designated custodian, such as the agency's business manager or accountant.

The designated business manager or accountant should maintain an accounting system or log to record the names of those requesting usage of the cards, their position, state car number assigned, card number, date issued and returned.

The driver must submit the gasoline credit card receipts to the custodian with the Report of Vehicle Mileage and Costs. The receipts must be matched to the gas company's invoice or reports. Payment should not be made on the basis of just a statement or a credit card slip only.

Gasoline credit cards are not to be used for tires, parts, repairs, or personal items.

When the state vehicle is returned, the gasoline credit card must also be returned to the designated custodian for safekeeping.

REPORT OF VEHICLE MILEAGE AND COSTS

In order for an agency and Motor Pool to monitor vehicle use, the driver must complete the Report of Vehicle Mileage and Cost, also known as the Motor Pool log. (See page 11:23) A sample form is provided. The following are the policies relating to completing the log when using a state owned vehicle. Law Enforcement Officers are not required to maintain a Motor Pool log.

Temporary Assigned Vehicles

The Report of Vehicle Mileage and Cost must be completed in detail as described later in this chapter. The form must be submitted to Motor Pool at the end of the vehicle use.

Permanently Assigned Vehicles

The following are the items required to be completed on the Report of Vehicle Mileage and Cost form. The completed form must be submitted to State Motor Pool at the end of each month.

Items Required:

- Commission number
- Agency fund/center
- Status (marked as Perm)
- End mileage
- Start mileage
- Miles driven
- Agency name

Items Required (Continued):

Gasoline - gallons, cost and related totals
Oil - quarts, cost and related totals
Maintenance cost with totals
Certification signed by the driver
Pre-Audited and approved signed by agency
personnel responsible for the pre-audit of the form

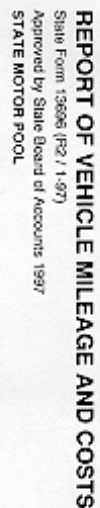
Each agency has the responsibility to establish internal policies on any additional information the agency wants to require. In establishing those policies, agencies should keep in mind their responsibility to ensure the vehicles are used for state business, that commuting or other personal use is reported for tax purposes, that the gasoline credit cards are used only to fuel state vehicles, and that credit card and Motor Pool charges (gasoline and repairs) are appropriate. (See agency verification procedures on page 11:25.)

Agency Owned Vehicles

Each agency that owns their own vehicle has the responsibility to establish internal policies on recording and reporting the use of state vehicles. In establishing those policies, agencies should keep in mind their responsibility to ensure the vehicles are used for state business, that commuting or other personal use is reported for tax purposes, that gasoline credit cards are used only to fuel state vehicles and that credit card and Motor Pool charges (gasoline and repairs) are appropriate. (See agency verification procedures later in this chapter.) The Report of Vehicle Mileage and Costs form may be used for recording use of state vehicles.

Instructions for Completion of the Report of Vehicle Mileage and Cost Form

- (a) Do not use pencil. If a mistake is made, draw a line through the error and enter the correct information on a new line.
- (b) Be sure that odometer readings are accurate and that the starting mileage corresponds exactly to the previous months ending mileage. Do not include tenths of a mile.
- (c) The agency account number requested at the top of the form is the fund/center number billed by Motor Pool.
- (d) The detail section of the Report includes disclosure of the number of commuting miles. The number of personal miles must also be included here. Commuting may be allowed by the overnight retention policy. The Employer Provided Vehicle Use Policy selected by the agency may allow commuting or minimal incidental personal use (such as stops for meals when on state business trips). Any other personal use of a motor pool vehicle is specifically prohibited.
- (e) The driver is to enter the vehicle cost information requested. The cost of gasoline, oil, or maintenance is to be entered as either: "Comm." for Commercial, or State provided, which may be Motor Pool or the owner agency. Receipts for all such items should be retained and submitted to the agency for verification of billings. [Note: For normal repairs of Motor Pool vehicles, the assigned driver or agency representative should notify the Motor Pool before visiting any other facility. Tires must be purchased directly from the Motor Pool in the Indianapolis area, or from the Motor Pool contracted vendor outside the Indianapolis area. The vendor then bills Motor Pool directly.]

11:23

- (f) The driver signs the certification and submits the form to the agency if it relates to a permanent assigned vehicle. For temporary assigned vehicles - the pink copy is submitted to Motor Pool upon vehicle return and the canary copy to the agency with receipts attached.
- (g) Agency: perform pre-audit and indicate approval by signing the report. For permanently assigned vehicles, submit the white copy to Motor Pool. The report must be submitted to Motor Pool by the fifth working day of each month.

Pre-Audit procedures -

1. Compare the end and start mileage at the top of the form to that listed in the detail section.
 2. When applicable, determine starting mileage is the same as end mileage of the previous form submitted.
 3. For temporary assigned vehicles, review detail section for unexplained gaps in the odometer readings listed and reasonableness of detail provided. For permanently assigned vehicles, ensure detail section is completed in accordance with the agency's policy. If the agency requires detail of all miles driven, review for unexplained gaps in the odometer readings listed. Review reasonableness of detail provided.
 4. Determine that receipts or invoices were submitted for the vehicle costs listed.
- (h) File the agency copy by commission number for permanent assigned vehicles, or chronologically for temporary assigned vehicles.

When billings are received either as inter-departmental bills or directly from commercial credit cards, the agency will compare to the Report of Vehicle Mileage and Costs or to the attached actual receipts.

OVERVIEW OF BILLING PROCESS

Charges for the vehicles assigned and supplies and services rendered are accumulated and billed to the receiving agency on a monthly basis. On the state accounting system, the transaction is automatically recorded as an inter-department transfer from the agency's fund/center to that of the Motor Pool. The transaction is then reported as an expenditure on the Agency Available Funds Activity Report for the fund/center charged. The document reference for the transaction is an inter-department bill. The following transfer objects are used to record the agency expenditure:

581701	Permanent or Temporary Motor Pool Charges
540601	Gasoline Charges
533201	Motor Vehicle Repair
543101	Supply Auto Part(s) Only

The transaction can be identified as a Motor Pool charge by the above objects and the first two digits of the ID-Bill reference of MP for Motor Pool.

The agency should contact the Department of Administration if an Inter-Department Bill form or schedules are not received within a few days after receiving the Activity Report.

Agency Verification Procedures

Agencies should verify inter-department bills in the same manner as vendor bills. Specifically, the agency is to:

1. Compare the total amounts per the ID-Bill form, the schedule and the expenditure recorded.
2. Determine that the correct fund/object/center was charged.
3. Verify the information referenced or given in the supporting schedules as follows:

For Permanent Charges

- Compare to the previous months bill. Determine that the months to lease was reduced for each commission number charged. Determine that the monthly charge remained the same for each vehicle listed.
- For newly assigned vehicles, compare to the Vehicle Use Agreement and file information to verify the correct number of months and monthly charge billed.
- Verify that a Report of Vehicle Mileage and Costs has been filed for each commission number for the month.

For Temporary Charges

- Compare each line item billed to the Vehicle Use Agreement. The commission number, driver, dates in and out, should agree.
- Determine that the number of days charged appears reasonable. Only working days are charged.
- Note the vehicle description per the Use Agreement and determine that the daily rate charged is correct for each commission number. See the rate schedule for temporary vehicles.

For Gasoline Charges

- Compare to the gasoline tickets submitted with the Report of Vehicle Mileage and Costs.
- Review the drivers and commission numbers listed to determine that they belong to your agency.

For Repair Charges

- Determine that the commission numbers listed are those permanently assigned to the fund/center charged. Question Motor Pool as to any repair charge for a temporary vehicle.
 - Compare the charges to the repair invoices referenced. Determine math accuracy of repair invoice and overall reasonableness of the charge.
4. Retain the bills, schedules, and other documentation for audit.
 5. Discrepancies or undocumented charges should be discussed with State Motor Pool. Additional documentation may be provided for agency files. Billing errors will be corrected by the Motor Pool by journal voucher.

If state credit cards are used to purchase gasoline, the following verification procedures should be performed:

1. Compare gallons purchased to miles driven, calculating miles per gallon, to ensure no misuse of credit cards. A low miles-per-gallon can also indicate that the vehicle may need maintenance.
2. Compare gasoline charged to credit cards with purchases on the Report of Vehicle Mileage and Costs.

I.R.S. REQUIREMENTS FOR EMPLOYER PROVIDED VEHICLES

NOTE: The amounts used in this section are current as of the publication of this edition of the manual. These amounts are set by the Internal Revenue Service and are subject to change periodically. It is the agency's responsibility to be aware of these changes. Appropriate rates may be found in IRS Publication 15B. The rates shown in this section were effective as of January 1, 2006.

The Internal Revenue Service requires payroll tax withholding and compensation reporting (W-2) for employees using state-owned vehicles for non-business or commuting purposes. These employees must complete and certify Statements of Employer Provided Vehicle Use each payroll period. Additionally, all elected officials and employees earning greater than \$133,900 who are provided with a take-home vehicle must utilize either a "cents per mile" or "annual lease value" method as given on the statements.

In accordance with IRS guidelines, the Auditor's office required executive directors to select take home vehicle policies for their agencies. The policy selections are:

- (I) No Personal Use
- (II) Commuting Use
- (III) Allowable Personal Use
 - (A) Cents Per Mile
 - (B) Annual Lease Value

The agency's policy must be consistent with state law and the criteria for permanent assignments of vehicles.

The provisions of each policy choice are explained in the following sections. Any penalties incurred by the State of Indiana for noncompliance with these provisions are considered to be the agency's responsibility. An agency may also cause undue expense to its employees, from the Internal Revenue Service, if compliance is not enforced.

I. No Personal Use

Under a written "no personal use" policy, employee use of the state-owned vehicles will be considered nontaxable to an employee provided the following conditions are met:

- a. The vehicle must be owned, or leased by the State and provided to one or more of its employees to be used in connection with state business.
- b. When the vehicle is not being used for state business, it must be kept on state premises, except when it is temporarily elsewhere for repairs or maintenance. There may be situations that the agency might waive this requirement. The agency director must plainly state in their policy this exception to this requirement.
- c. No employee using the vehicle lives on state premises.
- d. The written policy prohibits the use of the vehicle by an employee or a member of his/her family for personal purposes except for minimal incidental use (such as a stop for lunch between two business deliveries). It is expressly stated in the Internal Revenue Code that only such "de minimus" personal use is allowed.
- e. There is compliance with the "no personal use" policy.

The state agency is required to maintain some kind of evidence that shows that all of the above conditions have been satisfied. Adoption and adherence to a written "no personal use" policy as described above, will be sufficient substantiation to the IRS that the use of state vehicles is exclusively for state business. Accordingly, no additional formal record keeping is required. Note: Mileage reports are still required for motor pool vehicles and agencies may still require reports for maintenance and review purposes. See section "Report of Vehicle Mileage and Costs" earlier in this chapter.

II. Commuting Use

Under a "commuting use" policy, a state agency will be able to avoid substantiating each business use of its vehicles if there is a noncompensatory reason (i.e., taking vehicle home for security reasons) for having employees use a state vehicle for commuting. Indiana laws and guidelines for assignment of state-owned vehicles support the noncompensatory reasons for commuting use. Compliance with the law precludes use of state vehicles solely for commuting. An exception may apply to those agency heads subject to official duty call at all times.

Under the "commuting use" policy, a vehicle will be treated by the IRS as if it was used exclusively for business, provided the following four conditions are met:

- a. The vehicle is owned or leased by the State and provided to one or more of its employees for use in state business.
- b. For bona-fide noncompensatory business reasons, the employing agency requires the employee to commute to and/or from work in the vehicle.
- c. The agency has a written policy that prohibits use of the vehicle by an employee, or a member of the family, for personal reasons other than commuting (to the employee's place of employment) or minimal incidental use (such as a stop for personal errand on the way between a business delivery and the employee's home).
- d. The employee required to use the vehicle is not a "control" employee. The following definition is given of a "control" employee:
 1. Elected Official, or
 2. Employee receiving compensation greater than \$133,900.

State agencies must also provide some evidence that all of the above conditions have been met to relieve the agency of substantial record keeping that would otherwise be required to show that each use of the vehicle is a business use.

Employee Requirements

The Internal Revenue Service has established that the commuting use is taxable income to the employee. The value of each one way commuting use of the state provided vehicle is \$1.50. Employees are required to maintain records and report on the number of one way (or round trip) commutes between the employee's home and place of work for each payroll period.

Under circumstances where commuting is permitted, the form "Employee Statement of Employer Provided Vehicle Use" should be completed by the employee. The number of one-way commutes times \$1.50 equals the value of the benefit provided. This amount is computed and reported for each pay period by submitting the completed form to the payroll clerk. An increase is made to gross pay and a corresponding deduction is made in the same amount. This increases taxable income but does not increase the employee's pay. Taxes are deducted for the fringe benefit provided.

The "Employee Statement of Employer Provided Vehicle Use" is shown later in this section. The following instructions are given for its preparation:

Step 1: Complete Section 1: Employee's name, agency number, social security number, and pay period ending date.

Step 2: Complete Section 2: Number of one-way commutes and dollar amount.

Step 3: Sign and date the certification at the bottom of the form. Note that Section 3 is not applicable to the commuting use policy.

Step 4: Agency director or designee signs the certification.

Step 5: Submit completed form to the payroll clerk by the deadline established by the agency.

Alternate Method: The attendance report can be modified to include "SECTION 2" information. All new forms must be approved by the State Board of Accounts. See Chapter 15 for procedures to obtain a new form.

III. Allowable Personal Use

Agency Requirements

Elected officials and agency heads who are subject to official duty call at all times may be allowed personal use of a state vehicle. Also, the Internal Revenue Service requires that all elected officials, plus all employees earning greater than \$133,900, who are provided with a take-home vehicle must utilize the tax methods given in this policy. However, with the possible exception of law enforcement vehicles, state employees permitted to take permanently assigned vehicles home may not use that vehicle for any other personal purpose.

When this policy is applicable, commuting miles are considered as personal use.

Under this policy the agency must substantiate the extent to which the vehicle is used for "business" and will usually be based on the records of the employee.

Employee Requirements

Each employee should maintain vehicle business use substantiation records in the form of a diary, trip sheets, logs, or similar records in which entries are made to that document:

- Business Mileage
- Personal Mileage
- Purpose of each trip
- Date(s) of each trip
- Records should be prepared at least weekly.

In order to maintain an adequate record of the use of an automobile, the record must contain sufficient information as to each element of the vehicle's use for business. Responsibility for maintaining vehicle use records rests with the employee.

There are two methods of computing the valuation of employee use of employer provided vehicles: the "cents per mile" and "annual lease value" methods. Which method is used depends upon annual miles driven and the vehicle's fair market value when the employee first received it. To use the "cents per mile" method, the vehicle must be driven at least 10,000 miles in a calendar year and have had a fair market value less than the amounts shown below. These miles can be a result of both business and personal travel and of combined use by several employees. The 10,000 miles can be prorated to determine eligibility if the vehicle was put in service during the year. If the mileage was less than that required or the fair market value was greater than \$14,800 for a passenger vehicle or \$16,300 for a truck or van made available to an employee for personal (commuting) use in 2005, then the "annual lease value" method must be used.

Fair market value is the state's actual cost, if the vehicle was obtained via an "arm's length" transaction. For a leased vehicle, either the blue book value or the manufacturers suggested retail prices less eight percent can be used as the fair value.

Cents Per Mile Method

The employee completes Sections 1 and 3 of the appropriate "Employee Statement of Employer Provided Vehicle Use" (which follows this section) as explained below.

Step 1: Complete Section 1: Enter name, three digit agency number, social security number, and the date the pay period ended.

Step 2: Complete Section 3: Item A - Enter the number of personal miles driven that pay period. Include commuting miles as personal. Multiply the number of miles times the rate of \$.445. Enter the result in the space provided.

Item B - If the employee personally purchases fuel for the personal use of the vehicle, this adjustment is applied. Multiply the number of personal miles times \$.055.

Item C - The value of the benefit equals the amount of Item A minus Item B.

Step 3: The employee must sign and date the certification at the bottom of the form.

Step 4: The agency director or designee signs the certification.

Step 5: Submit the completed form to the payroll clerk by the established deadline. The employee's gross pay is increased and correspondingly decreased by the amount shown on Item C. Taxable income is thus increased without an actual increase in net pay and taxes are deducted for the fringe benefit provided.

Annual Lease Value Method

Those qualifying for the personal use policy must use the annual lease value method when the vehicle is driven less than 10,000 total miles in a calendar year, or had a fair market value in excess of \$14,800 for a passenger vehicle or \$16,300 for a truck or van made available to an employee for personal (commuting) use in 2005. The employee is taxed on the personal percentage of an annual lease value. The Internal Revenue Service Annual Lease Value Table is provided later in this chapter. It is based on the vehicle's fair market value and an assumed four year lease term. For further discussion of fair value see the previous page. This method does not include the value of fuel. Fuel must be valued at fair market or at 5.5 cents per mile for all personal and commuting miles. No adjustment is necessary for the fuel personally purchased for the personal use.

If for business reasons, the agency transfers an automobile from one employee to another; the automobile's annual lease value may be redetermined based on its fair market value as of January of the year transferred.

The employee completes the "Employee Statement of Employer Provided Vehicle Use - Lease" shown later in this section. The following instructions are given for its preparation:

- Step 1: Complete Section 1: Enter name, three digit agency number, social security number, and the date the pay period ended.
- Step 2: Complete Section 2: Enter the number of business and personal miles for the pay period and the total mileage. Note that commuting miles are considered personal.
- Step 3: Sign the employee certification on Section 3.
- Step 4: The agency director or designee signs the certification.
- Step 5: Submit the form to the payroll clerk. The clerk completes section 4. The annual lease amount is obtained from the table which follows. Use this amount each payroll period, each year of the assumed four year lease term, or until the vehicle is no longer used by this employee. The payroll amount calculated is the amount used to increase the employee's taxable income for the pay period. Sign section 4 as preparer.



EMPLOYEE STATEMENT OF EMPLOYER PROVIDED VEHICLE USE (Daily Commuting and Cents Per Mile Methods)

State Form 49632

Prescribed by State Board of Accounts-2000

Your agency has developed a policy on the use of state vehicles. This policy was developed under the guidelines established by the Internal Revenue Service. Please contact the payroll clerk or designated person in your agency for a copy of the policy and instructions to be used in the preparation of this form.

SECTION 1

EMPLOYEE NAME _____ AGENCY NUMBER _____

SOCIAL SECURITY NUMBER _____ PAY PERIOD ENDED _____

SECTION 2

Agency policy is "Commuting-use-only" then the following computation is to be used:

$$\frac{\text{Number of one-way commutes}}{\text{}} \times \$1.50 = \frac{\text{Value of benefit in current pay period}}{\text{}}$$

NOTE: The certificate must be signed at the bottom of this form.

SECTION 3

If agency policy is "Allowable-personal-use", then two methods of computing the taxable income exist, "cents-per-mile" and "annual lease-value". Below is the "cents-per-mile" computation since it is the most common. The "annual lease value computation" is on a separate form.

$$(A) \frac{\text{Personal mileage driven}}{\text{}} \times \$0.445 = \$\text{_____}$$

Adjustment if fuel is personally purchased:

$$(B) \frac{\text{}}{\text{}} \times \$0.055 = \$\text{_____}$$

$$(C) \text{ Value of benefit in current pay period (A-B) } = \$\text{_____}$$

NOTE: You cannot use the vehicle cents-per-mile rule for a vehicle first made available to an employee for personal use (including commuting) in 2005 if the fair market value is more than \$14,800.

NOTE: The certificate must be signed at the bottom of this form.

CERTIFICATE

I certify the above information is true and correct to the best of my knowledge. The necessary logs and documentation are being kept and will be available for inspection by my agency, Auditor of State/designee and the Internal Revenue Service.

Signatures: Employee _____ Date: _____

Agency Director _____ Date: _____

NOTE: Above rates and amounts subject to change by IRS.



EMPLOYEE STATEMENT OF EMPLOYER PROVIDED VEHICLE USE (Annual Lease Value Method to be used with the Allowable Personal Use Policy)

State Form 49631

Prescribed by State Board of Accounts-2000

Your agency has developed a policy on the use of state vehicles. This policy was developed under the guidelines established by the Internal Revenue Service. Please contact the payroll clerk or designated person in your agency for a copy of the policy and instructions to be used in the preparation of this form.

SECTION 1

EMPLOYEE NAME _____ AGENCY NUMBER _____

SOCIAL SECURITY NUMBER _____ PAY PERIOD ENDED _____

SECTION 2

If your agency policy is "Allowable-personal-use", then you need to select one of two methods used in computing the compensation. The "Cents-per-mile method" will be the most commonly selected and is discussed on another form. The "annual-lease-value" method can be used only when cents-per-mile cannot be used.

Employee must accumulate for each pay period the total mileage for business and personal. The information is entered below:

_____	+	_____	=	_____
Business miles		Personal miles		Total mileage

SECTION 3

I certify the above information is true and correct to the best of my knowledge. The necessary logs and documentation are being kept and will be available for inspection by my agency, Auditor of State/designee and the Internal Revenue Service.

Signatures: Employee _____ Date: _____

Agency Director _____ Date: _____

SECTION 4

To be completed by payroll clerk or agency designee.

_____	÷	_____	=	_____	%
Personal miles		Total Mileage		Personal Usage	

\$ _____	x	_____	=	_____	÷ 26 or 27 pay periods*
Annual lease amount from table usage		Personal usage %		Annual value for personal usage	*Use number of pay for the current calendar year

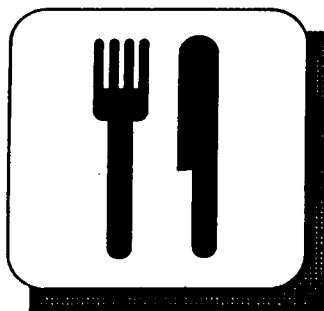
=	_____	+	_____	=	_____
	Payroll amount		Value of Fuel used for personal miles		Total Payroll Amount

Signature of Preparer: _____ Date: _____

ANNUAL LEASE VALUE TABLE

AUTOMOBILE FAIR MARKET VALUE (1)			ANNUAL LEASE	
				VALUE
				(2)
\$0.00	to	\$999.00		\$600.00
1,000.00	to	1,999.00		850.00
2,000.00	to	2,999.00		1,100.00
3,000.00	to	3,999.00		1,350.00
4,000.00	to	4,999.00		1,600.00
5,000.00	to	5,999.00		1,850.00
6,000.00	to	6,999.00		2,100.00
7,000.00	to	7,999.00		2,350.00
8,000.00	to	8,999.00		2,600.00
9,000.00	to	9,999.00		2,850.00
10,000.00	to	10,999.00		3,100.00
11,000.00	to	11,999.00		3,350.00
12,000.00	to	12,999.00		3,600.00
13,000.00	to	13,999.00		3,850.00
14,000.00	to	14,999.00		4,100.00
15,000.00	to	15,999.00		4,350.00
16,000.00	to	16,999.00		4,600.00
17,000.00	to	17,999.00		4,850.00
18,000.00	to	18,999.00		5,100.00
19,000.00	to	19,999.00		5,350.00
20,000.00	to	20,999.00		5,600.00
21,000.00	to	21,999.00		5,850.00
22,000.00	to	22,999.00		6,100.00
23,000.00	to	23,999.00		6,350.00
24,000.00	to	24,999.00		6,600.00
25,000.00	to	25,999.00		6,850.00
26,000.00	to	27,999.00		7,250.00
28,000.00	to	29,999.00		7,750.00
30,000.00	to	31,999.00		8,250.00
32,000.00	to	33,999.00		8,750.00
34,000.00	to	35,999.00		9,250.00
36,000.00	to	37,999.00		9,750.00
38,000.00	to	39,999.00		10,250.00
40,000.00	to	41,999.00		10,750.00
42,000.00	to	43,999.00		11,250.00
44,000.00	to	45,999.00		11,750.00
46,000.00	to	47,999.00		12,250.00
48,000.00	to	49,999.00		12,750.00
50,000.00	to	51,999.00		13,250.00
52,000.00	to	53,999.00		13,750.00
54,000.00	to	55,999.00		14,250.00
56,000.00	to	57,999.00		14,750.00
58,000.00	to	59,999.00		15,250.00
Excess of \$59,000.00 equal to \$500 plus 25% of Fair Market Value				

SUBSISTENCE FOR IN-STATE RATES



Was this an
overnight trip with
appropriate lodging
document?

YES

Did you leave prior to
12:00 noon and return
after 12:00 noon?

YES

You may claim \$26.00
for each day of travel

NO

Did you leave between
noon and 4:30 p.m.?

YES

You may claim
\$13.00 for a
partial day

NO

No meal
allowance

Did you return between
7:30 a.m. and noon?

YES

You may claim
\$13.00 for a
partial day

NO

No meal
allowance

Did you do field work or a
combination field work & office work
that exceeded 12 hrs & left before
5:59 a.m.?

YES

Entitled to \$6.50 for a
breakfast subsistence

Did you do field work or a
combination field work & office work
that exceeded 12 hrs & returned
after 6:01 p.m.?

YES

Entitled to \$13.00 for a
dinner subsistence

Did you do field work or a combination
of field work & office work that
exceeded 12 hrs & left before 5:59
a.m. & returned after 6:01 p.m.?

YES

Entitled to \$19.50 for a
breakfast & dinner
subsistence

ONE
DAY
TRIP
ONLY

NO

MEALS FURNISHED

- \$ 6.50 (BREAKFAST OR LUNCH)
- \$13.00 (DINNER OR BANQUET)

The enclosed Financial Management Circular No. 2003-1 replaces the version of the State Travel Policies and Procedures FMC #97-1.1 that became effective on July 1, 1997 and FMC 97-1.2 that became effective July 1, 1999.

The revised circular will become effective on January 1, 2004 and, other than one rate increase, basically consists of policy changes, clarification and some minor modifications to the travel rules.

The following list of Section Numbers should be reviewed carefully for any changes that will have an impact on your agency or travelers for your agency.

<u>Section Number</u>	<u>Changes</u>
2-7 (B)	State Contracts
3-2	Authorized State Travel by a State Traveler
3-4 (B)	Source of Funding
3-4 (B) (3)	Deadline Requirements for Submittal of State Form 823
4-3 (C)	Requirement for an amended 823
5-2 (B)	Departure and Return Points for Claiming Mileage in POV
5-3 (D),(E),(F) & (G)	How Mileage is to Be Claimed
5-4	Valet Parking Reimbursement
5-5 (A)	Penalty Fee for Canceled Airline Tickets
5-5 (D)	Direct Flight Tickets
5-8 (C)	Transportation to Airport
5-9 (C)	Requirements for Rental Vehicles
6-5	Conference Hotels
7-3,7-4 & 7-5	No definitional changes, per diem clarified
10-3	Mileage Rate Increased to .34 cents per mile in POV

All changes will be effective on January 1, 2004

Financial Management Circular: 2003-1

Effective Date: January 1, 2004

General Subject:

Travel, Moving and Interviewing Policies for the State of Indiana;

Repeals FMC #97-1.1

Repeals FMC #97-1.2

Specific Subject: Same as General Subject

Authority: IC 4-12-1-13(e)

IC 4-12-1-13(h)

IC 4-13-1-4(7)

Application:

This Circular applies to all State employees, board and commission members, potential employees, and persons under contract with the State.



STATE OF INDIANA

Indiana Department of Administration

State Travel Policies and Procedures

January 1, 2004

INDIANA DEPARTMENT OF ADMINISTRATION
State Travel Policies and Procedures

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Chapter 2.	General Provisions
Chapter 3.	State Travel Authorizations
Chapter 4.	Reimbursement for State Travel
Chapter 5.	Transportation
Chapter 6.	Lodging
Chapter 7.	Subsistence Allowance
Chapter 8.	Work Stations and Moving
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INDIANA DEPARTMENT OF ADMINISTRATION
State Travel Policies and Procedures

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Chapter 1. Definitions

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- Section 1-2 “Agency Head”
- Section 1-3 “Commissioner”
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- Section 1-14 “State”
- Section 1-15 “Travel Allowances”
- Section 1-16 “Travel Office”
- Section 1-17 “Travel Status”
- Section 1-18 Application of Definitions

Section 1-1 “Agency” means an administrative agency or department, authority, board, branch, commission, committee, department, division, or other instrumentality of the executive branch of State government, and any entity required by State Statute to be included as a State Agency. It does not include the judicial branch, or the legislative branch. “Agency” also refers to the agency paying for the travel.

Section 1-2 “Agency Head” means the chief executive officer of an Agency.

Section 1-3 “Commissioner” means the Commissioner of the Indiana Department of Administration.

Section 1-4 “Department” means the Indiana Department of Administration established by IC 4-13-1-2.

Section 1-5 “In-State Travel” means State Travel within the State of Indiana or within the State of the traveler’s station.

Section 1-6 “Out-of-State Travel” means State Travel that starts or ends in the State of Indiana, or within the State of the traveler’s station, and includes crossing the State Line into any other State.

Section 1-7 “Reimbursement for State Travel” means the State’s payment of a subsistence allowance, mileage allowance, or a reimbursable expense to a State Traveler.

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Section 1-8 “State” means the State of Indiana.

Section 1-9 “State Budget Director” means the Director of the Indiana State Budget Agency.

Section 1-10 “State Business” means permitted lawful activity by a State Traveler on behalf of the State or an Agency, which advances or is reasonably calculated to advance the goals and purposes of the State or Agency on whose behalf the activity is undertaken.

Section 1-11 “State Travel” means travel by a State Traveler who is engaged in the performance of State Business on a trip away from the individual’s home or station.

Section 1-12 “State Traveler” means a State employee, commission or board member, a person under contract with the State, and all others previously approved by the Indiana State Budget Agency, who are in Travel Status.

Section 1-13 “State Travel Expense” means the additional reasonable costs incurred by a State Traveler resulting from traveling for the State on State Business, excluding all items personal in nature or items not resulting from State Travel.

Section 1-14 “Station” means: (A) for a State employee, the location of the employee’s assigned permanent office and

- (B) for all other persons, in the following order:
 - (1) the place stipulated in a contract with the State;
 - (2) the person’s office; or
 - (3) the person’s home.

Section 1-15 “Travel Allowances” means the rates of reimbursement established for State Travelers by the State Budget Director and the Commissioner and which are based on the Acts of the General Assembly.

Section 1-16 “Travel Office” means the Travel Division of the Department and any contractor assisting with travel services for the State.

Section 1-17 “Travel Status” means the status of a State Traveler who has started to travel on State Business, whether or not travel expenses will be reimbursed by the State.

Section 1-18 Application of Definitions

The definitions in this Chapter apply throughout this Circular unless other wise indicated.

Chapter 2. General Provisions

Section 2-1 Policy and Application of this Circular

Section 2-2 Spirit of This Circular

Section 2-3 Authority of The Department

Section 2-4 Delegation Allowed and Limitation

Section 2-5 Exceptions to this Circular

Section 2-6 Agency Travel Policy

Section 2-7 State Contracts

Section 2-8 Budget and Compliance Responsibility

Section 2-1 Policy and Application of This Circular

This Circular sets forth the State’s policies, and procedures for traveling and for claiming reimbursement for travel expenses incurred by any person who has traveled on State Business. This

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Circular supersedes all other formal and informal policies, procedures, Circulars and practice, whether or not codified, and whether now existing or hereafter arising of any Agency, with respect to or otherwise related to State Travel or reimbursement for State Travel. All State Travel must be authorized, arranged, carried out, and paid for in accordance with this Circular. Reimbursement for State Travel shall only be made in accordance with this Circular. This Circular is applicable to all State Travelers.

Section 2-2 Spirit of This Circular

All State Traveler's seeking reimbursement should incur the lowest reasonable travel expense (examples-sharing a room or riding together) and should exercise care to avoid impropriety or the appearance of impropriety, including the public perception that a business trip has been taken for personal reasons. Public funds may never be used for personal gain. If a circumstance arises that is not specifically covered, either the most conservative course within the "spirit" of this Circular shall be adopted or consultation for guidance with the Department shall be pursued.

Section 2-3 Authority of the Department

The Department shall:

- (A) Administer and enforce this Circular in accordance with IC 4-13-1-4;
- (B) Possess the authority and power that is necessary and proper to discharge its duties under IC 4-13-1-4 and this Circular. This includes, without limitation, the authority and power to design, promulgate, and require the use of such documentation, including State Travel forms, as the Department deems essential or convenient to the administration and Enforcement of this Circular; and
- (C) Provide the travel services and related services and products to the agencies required to use them under this Circular.

Section 2-4 Delegation Allowed and Limitation

If this Circular requires an Agency to take some action, the action may be taken by the designee or the Agency Head. If this Circular requires an Agency Head to take some action, the action may not be delegated by the Agency Head.

Section 2-5 Exceptions to This Circular

The State Budget Director and the Commissioner, or the respective designees, may authorize exceptions in writing, jointly, to this Circular. An Agency Head requesting an exception shall state the request in writing and submit it to the Department. Reasons for exceptions include, but are not limited to the following: emergency, loss or harm to the State or others.

Section 2-6 Agency Travel Policy

An Agency may develop internal policies and procedures relating to State Travel by State Travelers. Such policies and procedures may not be inconsistent with this Circular and must be approved by both the State Budget Director and the Commissioner, or their respective designees.

Section 2-7 State Contracts

- (A) Agencies that enter into contracts which provide for specific reimbursement of travel expenses must specify in the contract that travel reimbursement to persons under contract will be consistent with this Circular.
- (B) Out-of-State Travel that will be paid separately under the contract shall be itemized in the contract so that approval of the travel can be granted during the contract signing process. For trips not specified in a contract, see the Financial Management Circular regarding Delegation of Signature Authority for certain Claim Vouchers to determine when to obtain prior written approval from the Indiana State Budget Agency.
- (C) Travel arrangements for all contractors and speakers traveling either from

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Indiana to Out-of-State or from Out-of-State to Indiana are required to be made with the Travel Office.

Section 2-8 Budget and Compliance Responsibility

Notwithstanding the timely receipt of applicable approvals, the Agency has the responsibility to assure that actual travel expenses do not exceed budgeted travel expenses. It is also the responsibility of the Agency to ensure that travel expenses incurred on behalf of the Agency are in compliance with this Circular.

Chapter 3. Travel Authorization and Procedure

Section 3-1 Authorized State Travel Generally

Section 3-2 Authorized State Travel by a State Traveler

Section 3-3 Authorized State Travel

Section 3-4 Authorized Travel Out-of-State

Section 3-5 Criteria for Approval of State Travel

Section 3-6 Travel Arrangements

Section 3-1 Authorized State Travel Generally

A State Traveler shall only be authorized to engage in State Travel in accordance with Sections 3-2 through 3-6 of this circular.

Section 3-2 Authorized State Travel by a State Traveler

A State Traveler is authorized to engage in State Travel under the following terms and conditions:

- (A) Out-of-State Travel must be approved in advance and in writing by the Commissioner, and the Agency Head, or their designees.
- (B) In-State Travel must be approved in advance by the Agency.
- (C) At the discretion of the Department or upon request from an Agency, additional approvals may be requested.

Section 3-3 Authorized State Travel

The Agency shall be responsible for the prior authorization of travel for both In-State and Out-of-State Travel. It shall be the duty of the Agency to review the authority for travel prior to filing travel claims with the Auditor of State.

Section 3-4 Authorized Travel Out-of-State

- (A) Any person who is assigned to a duty station within any state of the United States of America and who is required to be outside the State of the duty station while in travel status for the State, regardless of the source of funds financing the travel, must request and receive written authorization prior to leaving that State. Failure to receive proper authorization can result in denial of reimbursement for the expenses.
- (B) Written approval must be given before a person begins Out-of-State Travel. Agencies must complete and approve all requests for Out-of-State Travel prior to submission. Signatures by the Head of Agency or designee must be original, no signature stamps will be allowed. All requests must include a breakdown of the source of funding (i.e. Federal, Dedicated, and/or General).
 - (1) State Form 823 "Authorization For Out of State Travel" must be approved by the Department for all Agency Heads, board or commission members and employees.
 - (2) A written request or all other persons, if necessary, must be approved by the Agency in accordance with Financial Management Circular #2000-1.
 - (3) State Form 823 should be submitted to the Department at least thirty (30) days prior to the date of departure in order to allow sufficient time for the out-of-state request to be processed by the Department, and order for the ticket to be purchased in time to take advantage of twenty one (21) day advance purchase prices. If it is

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not possible to submit State Form 823 thirty (30) days in advance a written justification from the Agency head detailing the reason must be attached to the request. This does not include emergency travel.

Section 3-5 Criteria for Approval of State Travel

- (A) State Travel is designed to reimburse the expenses of a person on State Business and allowing up to one (1) day of travel time the day before and up to one (1) day of travel time the day after the meeting, depending on actual circumstances, as approved by the Department.
- (B) In keeping with the "Spirit of the Circular", travel status should not start prior to, or end after, the normally required periods of time necessary to complete the official State Business. (See Section 2-2)
- (C) The primary purpose for travel must be State Business, but occasionally a person may be approved to take a trip that includes both personal time and business travel. The State Form 823 "Authorization For Out of State Travel" must indicate the complete period of time the person will be Out-of-State, including personal time. No Out-of-State Travel will be approved if it encompasses personal leave both before and after the official State Business. A combination trip benefits the traveler to some extent. A State Traveler shall exercise special care not to seek reimbursement for expenses that could be construed to be personal. If vacation leave or time off is combined with any trip, the lodging and subsistence for the extra days of travel time are not eligible for reimbursement.
- (D) Persons traveling to locations within four (4) hours drive time are generally expected to travel by automobile (example from Indianapolis to Chicago). However, individual circumstances and time commitments before and/or after travel may necessitate airline use. Airline use in these circumstances must be approved by the Agency and the Department.
- (E) Normally "side-trips" are not approved in conjunction with State Travel. However, special calculations are required when the travel includes "side-trips" not required for State Business. If State Business requires the State Traveler to travel from city "A" to city "B" and the State Traveler actually travels to city "C" either before or after going to city "B", the allowable reimbursement would be the prorated commercial carrier fare actually paid between city "A" and city "B" times two (2), or the map mileage times two (2) if driving a personal vehicle.

Section 3-6 Travel Arrangements

- (A) When two (2) or more employees are traveling the same general route (using either a State-owned vehicle or a privately owned vehicle) the Department requires that only one (1) vehicle be driven if it is administratively feasible.
- (B) Prior to submitting the request for Out-of-State Travel, the Travel Office shall be contacted regarding reservations for lodging accommodations and airfare, or other travel arrangements.

Chapter 4. Reimbursement for State Travel

Section 4-1 Reimbursement for State Travel

Section 4-2 Paying a State Travel Expense

Section 4-3 State Travel Expense Limitations

Section 4-4 Conference Expenses

Section 4-5 Allowable Reimbursements-Legally Required

Section 4-6 Allowable Reimbursements-Limitations

Section 4-7 Rates of Reimbursement

Section 4-8 Travel Bonuses

Section 4-9 Recovery of Expenses Erroneously Paid

Section 4-10 Preferred Travel Expense Method

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Section 4-1 Reimbursement for State Travel

The State shall only make payment for, or reimburse for State Travel to or on behalf of a State Traveler who is entitled to it under this circular and in compliance with the terms and provisions of this Circular.

Section 4-2 Paying a State Travel Expense

The State may pay a State Travel expense to or on behalf of a State Traveler under the following terms and conditions;

- (A) Payment of the State Travel expense is approved in writing by any person whose approval is required for authorization or ratification of the State Traveler under Section 3-2;
- (B) The State Travel giving rise to the State Travel Expense has been authorized or ratified in accordance with this Circular;
- (C) With respect to a State Travel Expense, the State Traveler submits an original receipt for the State Travel Expense along with such supporting documentation as is required by Chapter 9;
- (D) Paying the State Travel Expense does not violate any law, statute, circular or regulation, or court order; and
- (E) The State Travel Expense was incurred in compliance with this circular.

Section 4-3 State Travel Expense Limitations

- (A) The State may not pay a State Travel Expense where another person or entity, other than the authorized State Traveler, pays the expense or subsistence allowance.
- (B) If a State Travel Expense has been approved in advance by the appropriate State Agency and the Travel Office, the actual State Travel Expense incurred by the State Traveler is payable only to the extent it is less than or equal to the approved State Travel Expense.
- (C) On Out-of-State Travel, if the actual expenses exceeds the estimated expenses on State Form 823 by fifty dollars (\$50), then an amended form will need to be filled out and submitted for approval by the Commissioner and the Agency head, or their designees.

This requirement may be waived by the Department and appropriate State Agency if its enforcement, under the circumstances, would be unfair, inequitable, impractical, unreasonable or otherwise not consistent with the policies and principles underlying this Circular.

Section 4-4 Conference Expenses

A State Traveler may be reimbursed for the cost of registration fees associated with attendance at conferences. Only the State Traveler's portion of the registration fee, and not fees for any other individual Accompanying the State Traveler, shall be paid. Section 7-5 applies when the registration fee covers the cost of meals.

Section 4-5 Allowable Reimbursements-Legally Required

An Agency or State Traveler may not receive, accept, or retain State Travel expense, lodging, transportation, meal or any other good or service with respect to State Travel that is provided by another person or entity who is not legally obligated to do so unless such receipt, acceptance, or retention is legal, ethical, and does not raise the appearance of impropriety. Any such expense, allowance, good, or service That has been improperly paid or accepted shall forthwith be refunded or otherwise paid for by the State Traveler.

Section 4-6 Allowable Reimbursements-Limitations

Each person requesting reimbursement for State Travel expenses shall submit a claim covering only the person's own expenses. No reimbursement may be made for the expenses of another person. However, a person may receive reimbursement for the State Travel expenses of pupils, wards, patients, or offenders of State facilities, schools, agencies or institutions. The request for reimbursement for these expenses must be separately itemized and justified in the request for reimbursement.

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Section 4-7 Rates of Reimbursement

- (A) The rates of reimbursement for Travel Allowances shall be those established, in accordance with law, by the State Budget Director and adopted by the Commissioner.
- (B) Reimbursement rates for travel allowances, and/or maximum rates, are provided in Chapter 10.
- (C) The rates of reimbursement for actual expenditure amounts actually expended, subject to any limits per the provisions of Section 4-7 (B).
- (D) All amounts claimed must be converted to United States currency. Proof of conversion rate(s) at the time the expense was incurred must be submitted for expenses paid in any other currency.
- (E) In addition to the subsistence allowance, a person in travel status outside of the continental United States may be reimbursed for the reasonable expenses associated with the travel. Such expenses include, but are not limited to, the cost of:
 - (1) visas, passports and other travel documents;
 - (2) photographs for travel documents;
 - (3) inoculations;
 - (4) currency exchange; or
 - (5) airport taxes.

Section 4-8 Travel Bonuses

- (A) It is the policy of the State that any premium, bonus, or compensation acquired by any individual as a result of travel either paid for or reimbursed by the State under this Circular is the property of the State. This includes but is not limited to bonuses, premiums and compensation for the following:
 - (1) Airline Travel,
 - (2) Other common carrier,
 - (3) Hotel or motel, and
 - (4) Rental cars.
- (B) Any individual who earns any compensation, premium or bonus while the person is traveling for the State and is governed by this Circular shall turn in the compensation, premium or bonus to the Agency. The Agency which is responsible for paying such expenses shall be considered to be the owner of the compensation, premium or bonus and shall be entitled to the benefits of such travel bonuses, promotions, and the like. All such travel bonuses, promotions, and the like shall be reported to the Travel Office when they are being redeemed. Each Agency shall establish procedures to implement this policy and submit a copy of the procedures to the Department.

Section 4-9 Recovery of Expenses Erroneously Paid

The State may recover any expense or allowance paid to any person or entity:

- (A) Which was erroneously paid for any reason;
- (B) Which was paid because of illegality or fraud on the part of any person or entity; or
- (C) Which was paid under the mistaken belief, at the time payment was made, that such payment was in accordance with this Circular.

Section 4-10 Preferred Travel Expense Method

The State shall make payment when travel is by the preferred traveling method. The preferred Traveling method is the least expensive or most cost effective means of travel which is also:

- (A) Available at the time and place where it is needed;
- (B) Necessary for the State Travel involved;
- (C) Appropriate, sufficient, and timely for the State Travel involved;
- (D) Reasonably safe; and
- (E) Reasonably comfortable.

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Chapter 5. Transportation

- Section 5-1 Preferred Transportation
- Section 5-2 Reimbursement for Vehicle Use
- Section 5-3 Mileage
- Section 5-4 Parking and Tolls
- Section 5-5 Travel By Air
- Section 5-6 Non-Commercial Air Transportation
- Section 5-7 Other Main Travel Modes
- Section 5-8 Transportation to Terminal
- Section 5-9 Vehicle Rental

Section 5-1 Preferred Transportation

- (A) When the State Travel is within the State or within two hundred fifty (250) miles of the State Traveler's station, the preferred traveling method is first by State owned vehicle, and second by personal vehicle.
- (B) When the State Travel is outside the State and greater than two hundred fifty (250) miles from the State Traveler's station, the preferred traveling methods rank as follows:
 - (1) By commercial air; (or State owned aircraft)
 - (2) By other commercial transportation;
 - (3) By State owned vehicle; or
 - (4) By Personal vehicle.

Section 5-2 Reimbursement for Vehicle Use

- (A) If the travel of an employee will be by vehicle, State owned vehicles shall be used when and practical.
- (B) When driving a personal vehicle, a driver will be paid a mileage allowance for travel starting from their home or station; whichever is closest to their point of destination, and as provided for by Section 5-3.

Section 5-3 Mileage

Payment of mileage with respect to State Travel shall be made in compliance with this mileage section. A State Traveler is entitled to payment of mileage under the following terms and conditions:

- (A) The mileage is incurred through the use of a private vehicle in accordance with this Circular;
- (B) The route or routes taken to and from the destination are the shortest and most cost effective, and use the appropriate points of departure and return;
- (C) Additional mileage, not to exceed 10% of the "Shortest Route" mileage, may be claimed when the usually traveled route entails the use of an interstate highway which is not the "Shortest Route".
 - (1) The 10% additional mileage is a maximum deviation and not an automatic additional charge.
- (D) For In-State, mileages are to be computed from the current official State of Indiana Highway Map, but adjusted where appropriate; (i.e.; detours which must be documented on the travel voucher in order to claim mileage reimbursement)
- (E) If local mileage is to be claimed within a city complete addresses shall be documented on the travel voucher. (State Form 980).
- (F) For Out-of-State, the mileages are computed from a current reliable atlas.
- (G) Internet websites shortest route option may be utilized either in-state or out-of-state, as a tool, but in no case shall the allowable mileage exceed the actual map mileage.

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Section 5-4 Parking and Tolls

A person in travel status may be reimbursed for the cost of parking and tolls when using either a personal vehicle or a State vehicle. Valet parking will be reimbursable when "self-parking" is not available, or is cost effective and practical. (i.e., cost less, one fee with in/out privileges). Receipts satisfying the requirements of Section 9-1 must be included with the claim for reimbursement. (For parking at public transportation terminals see Section 5-8).

Section 5-5 Travel By Air

- (A) The coach class cost of travel by commercial air carrier will be reimbursed. Canceled tickets carry a penalty fee and may be reimbursable only if legitimate State Business prohibits the employee from traveling. Guidance shall be sought with the Department of Administration.
- (B) Occasionally, it may be cost effective for an employee to travel on a weekend in order to obtain a less expensive airline fare. Lodging and meals for the weekend travel will be reimbursed to the employee if the net savings to the State exceeds one hundred dollars (\$100).
- (C) Agencies are required to make all Out-of-State Travel arrangements through the Department and are encouraged to arrange In-State Travel also through the Travel Office At the Department to help reduce travel costs.
- (D) An Agency may authorize the Department to purchase airfare for direct flights when necessary, with written justification from the Agency head attached to the out-of-state request detailing the need for a direct flight and acknowledging the potential additional costs.
- (E) The Department has the authority to adopt and enforce specific policies for air travel. For example, State employees could be required to travel to a particular airport or on a particular airline to avail the State of a reduced group airfare.

Section 5-6 Non-Commercial Air Transportation

Written approval from the Department is required before making arrangements for non-commercial or charter air transportation.

Section 5-7 Other Main Travel Modes

The cost of travel by railroad or bus may be reimbursed. To be reimbursed, a person must submit acceptable receipts with the travel claim. The costs of sleeping cars are not allowable for reimbursement. The travel time provisions of Section 3-5 apply to train and bus travel.

Section 5-8 Transportation to Terminal

- (A) The cost of taxi and other public transportation between a person's station and a terminal may be reimbursed. However, the State will not reimburse the cost of taxi fare between the home and terminal in an amount in excess of taxi fare between the station and the terminal.
- (B) The cost of transportation between the terminal, the place of lodging and other place of business may be reimbursed. The person must either itemize such trips on the travel voucher or submit a log of such trips with the travel voucher stating the nature of each of the trips.
- (C) The cost of parking at a terminal may be reimbursed at long-term rates. A State Traveler may use a personal vehicle for transportation to a terminal instead of using public transportation and may be reimbursed the cost of round-trip mileage between the station or home, whichever is closest, and the terminal.
- (D) Reimbursement for a second round-trip instead of reimbursement for parking at the terminal is allowable; however, reimbursement for a second round-trip may not exceed the avoided long-term parking fees.

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Section 5-9 Vehicle Rental

- (A) Vehicle rental expense is reimbursable for Out-of-State Travel when it is efficient and cost effective and when approved in advance by the Department. The lease expensive practical vehicle shall be rented.
- (B) The cost of renting a vehicle, in connection with travel by other modes of transportation, may be reimbursed if suitable local public transportation is not available or when rental is considered more advantageous to the State than the use of public transportation due to routing or scheduling considerations.
- (C) The Agency requesting the rental of a vehicle must submit a written justification from the Agency head to the Department justifying the need for rental of a vehicle prior to making arrangements for renting the vehicle. The request must include a cost analysis showing that renting a car is cost effective or an explanation of why it is in the best interest of the State to do so. If the Department approves the request, the Travel Office shall make advance reservations for the most appropriate vehicle.
- (D) Collision Damage Waiver (CDW), or Liability Damage Waiver (LDW), insurance covering use of the vehicle is a reimbursable expense. The cost of any other insurance will not be reimbursed and such costs must be deducted from the claim for reimbursement.
- (E) Initial payment of the cost of renting a vehicle is the responsibility of the person. The person may be reimbursed for:
 - (1) the cost of renting the vehicle;
 - (2) the cost of additional fuel;
 - (3) the cost of Collision, or Liability, Damage Waiver (CDW) or (LDW) Insurance;
 - (4) parking; and
 - (5) tolls.
- (F) Each item of cost must be supported by receipts required by Section 9-1. The claim for reimbursement must itemize the business usage of the vehicle, showing point-to-point travel, the same as for a personal vehicle. The person may be reimbursed for vehicle rental, excluding any personal usage, according to the following formula:
$$\text{Reimbursement} = E \times \frac{M_s}{M_t}$$
- (G) It is the responsibility of the traveler to make sure both the beginning and ending mileages are on the receipt.

Chapter 6. Lodging

Section 6-1 Preferred Lodging

Section 6-2 Reimbursement for Lodging

Section 6-3 Shared Accommodations

Section 6-4 Lodging Provider-Limitation

Section 6-5 Lodging Rates-Limitation

Section 6-1 Preferred Lodging

- (A) Lodging arrangements with respect to State Travel shall be made in compliance with this preferred lodging Section
- (B) Reimbursement for In-State lodging is limited to the In-State Lodging Rate as set in Section 10-5, without the prior written approval of the Travel Office.
- (C) Reservations for Out-of-State lodging shall be made through the Travel Office.

Section 6-2 Reimbursement for Lodging

A person in travel status may claim reimbursement for actual lodging expenses not exceeding the single occupancy room charge, including taxes, for over-night stays only.

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It is the traveler's responsibility to check out of the accommodations in sufficient time to not be required to pay additional expenses for late check-out.

Section 6-3 Shared Accommodations

- (A) If accommodations are shared by State Travelers:
 - (1) The total room charge can not be claimed by either traveler.
 - (2) Each traveler shall request a hotel bill issued in the traveler's name
 - (3) Each traveler shall claim a prorated share of the total room charge as listed on the traveler's individual bill.
- (B) If accommodations are shared by non-State Travelers:
 - (1) A separate bill need not be issued if the expense of lodging is being shared with another person:
 - (a) The State Traveler can claim the total bill divided by the number of occupants, if applicable, or
 - (b) The State Traveler can claim the Single Occupancy Room Rate.
 - (2) The State Traveler shall request the Room Clerk to record the payments and/or the Single Occupancy Room Rate on the hotel bill.

Section 6-4 Lodging Provider-Limitation

A person may not claim reimbursement for lodging when the lodging was provided by another person who is not in the business of providing lodging.

Section 6-5 Lodging Rates-Limitation

All persons, including Employees and Board and Commission members, are urged to stay in hotels offering reasonable government rates. These reduced rates must be requested of the hotel in advance. Conference hotels may be utilized, but every effort must be made to secure any reduced rates. In order to receive government rates, lodging establishments may require State Travelers to provide State government identification, which may be in the form of a picture ID or a current payroll stub. The Department or Indiana State Budget Agency may disapprove full reimbursement if a good faith effort is not made to secure government or other reduced rates or if the lodging expense exceeds the In-State lodging rate. If needed, this Department shall give assistance locating economic lodging and guidance on reasonable rates in specific geographic areas.

Chapter 7. Subsistence Allowance

Section 7-1 Subsistence Allowance

Section 7-2 Reimbursement for Subsistence Allowance

Section 7-3 Computation of Allowance-For Over-Night Travel

Section 7-4 One Day Travel-Limitation of Amount

Section 7-5 Meals Provided

Section 7-6 Subsistence Allowed Without Paid Lodging Bill

Section 7-7 50 mile Restriction/Exception

Section 7-8 Weekend Travel Status-Exception

Section 7-9 Board or Commission Member-Special Allowance

Section 7-1 Subsistence Allowance

Payment of a subsistence allowance shall be made in compliance with this subsistence allowance Chapter of this Circular. The State shall pay a subsistence allowance to a State Traveler for any day during which such State Traveler is in travel status for the required length of time. The values for the rates are explained in Section 10-1.

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Section 7-2 Reimbursement for Subsistence Allowance

A person in travel status is entitled to a subsistence allowance not to exceed the amount as provided for by Section 7-3.

Section 7-3 Computation of Allowance-For Over-Night Travel

The subsistence allowance Daily Rates are to be claimed as follows:

	<u>IN-STATE</u>	<u>OUT-OF-STATE</u>
Departure before 12:00 P.M.	\$26.00	\$32.00
Departure between 12:00 P.M. and 4:30 P.M.	\$13.00	\$16.00
Departure after 4:30 P.M.	NONE	NONE
Return before 12:00 P.M., but after 7:30 A.M.*	\$13.00	\$16.00
Return after 12:00 P.M.	\$26.00	\$32.00

*No subsistence is paid for travel segments that are less than 7 ½ hours.

For travel that begins and ends on the same day, subsistence shall be claimed only in accordance with Section 7-4.

Travel to Specific Countries (See Section 10-2) divide by four (4), one quarter is to be claimed for Breakfast, one quarter for Lunch and the remaining half (½) for Dinner.

Elsewhere outside Continental USA (See Section 10-2) is to be claimed at Rate C, fifty dollars (\$50.00), divide by four (4), twelve dollars and fifty cents (\$12.50) for Breakfast, twelve dollars and fifty cents (\$12.50) for Lunch and twenty five dollars (\$25.00) for Dinner, with the same departure and return times in the chart above applied.

An original paid lodging bill is required to claim subsistence for over-night travel. (See Section 9-1)

Section 7-4 One Day Travel-Limitation of Amount

For same day travel, subsistence is to be claimed as follows:

	<u>IN-STATE</u>	<u>OUT-OF-STATE</u>
Not in travel status at least 12 hours	NONE	NONE
In travel status at least 12 hours	\$6.50 or \$13.00	\$8.00 or \$16.00
Departure before 6:00 A.M.; return after 6:00 P.M. entitles a traveler to Breakfast and Dinner	\$19.50	\$24.00

If a person's time at work, not in travel status, combined with time in travel status, all on one day, is equal to at least twelve (12) hours, the person may be reimbursed for breakfast or dinner or both.

Section 7-5 Meals Provided

If a meal is provided, no subsistence shall be claimed for that meal and is to be deducted as follows:

	<u>IN-STATE</u>	<u>OUT-OF-STATE</u>
Breakfast	\$ 6.50	\$ 8.00
Lunch	\$ 6.50	\$ 8.00
Dinner	\$13.00	\$16.00

The State of Indiana must not pay for a person's meal more than once. This includes, but is not limited to, meals included in registration fees or by hotels in the room charge. If a person in travel status received a meal without charge, then the subsistence allowance must be reduced. However, no deductions from subsistence shall be taken for continental breakfasts or meals served on airplanes.

Section 7-6 Subsistence Allowed Without Paid Lodging Bill

If lodging is provided to a person in travel status at no cost to the person, a statement explaining that the person was in travel status, signed by the Agency may be submitted as documentation to justify claiming the subsistence allowance.

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Section 7-7 50 Mile Restriction/Exception

- (A) Except as provided below, a person is not entitled to lodging or a subsistence allowance for over-night travel if travel takes the person fifty (50) miles or less from the station or the person's home.
- (B) An Agency may only authorize payment of lodging and/or subsistence by making a determination that it may be dangerous or undesirable for a person to travel because of any one (1) of the following:
 - (1) unsafe highway/weather conditions;
 - (2) lack of public transportation and the person depends upon such transportation;
 - (3) assignment of the person to police duty, arbitration or strike conciliation;
 - (4) the employee's physical condition; or
 - (5) with prior written approval from the Department, unusual work assignment.
- (C) The Agency must make the determination in writing, and a copy must accompany the travel claim
- (D) At the discretion of the Agency, over-night travel is not necessarily required just because the mileage exceeds fifty (50) miles.

Section 7-8 Weekend Travel Status-Exception

- (A) A person traveling Out-of-State may claim lodging expense and subsistence allowance for Saturdays, Sundays or holidays (even though the person is not conducting State Business on those days) in order to reduce the total cost of the travel, or to accommodate early morning or late evening meetings. The savings and/or the need to accommodate, must be documented and approved in advance by the Department. Neither subsistence nor lodging expenses may be claimed if an employee is using vacation or personal leave time.
- (B) A person traveling In-State may claim lodging expense and subsistence allowance for Saturday, Sundays or holidays (even though the person is not conducting State Business on those days) in order to reduce the total cost of travel, or to accommodate early morning or late evening meetings. The savings and/or the need to accommodate, must be documented and approved in advance by the Agency. Neither subsistence nor lodging expenses may be claimed if an employee is using vacation or personal leave time. (See Section 3-5 (B))

Section 7-9 Board or Commission Member-Special Allowance

Any non-salaried board or commission member is entitled to a subsistence allowance at one-half (½) of the Daily Rate for each meal while away from home in the performance of official duties. Travel must begin by 6:00 A.M. to allow for the breakfast meal. Travel must end after 6:00 P.M. to allow for the evening meal. The maximum allowable in a single day is the Daily Rate. The travel voucher must be marked "Board (or Commission) Member" to be eligible for this allowance.

Chapter 8. Work Stations and Moving

Section 8-1 Coverage

Section 8-2 Establishment of a Work Station

Section 8-3 Reimbursement for Moving Expenses Due to a Change of Work Station

Section 8-4 Reimbursement for Interview Expenses

Section 8-5 Pre-employment Travel

Section 8-6 Reimbursement of Relocation Expenses For New Hires

Section 8-1 Coverage

This Chapter contains policies and procedures for the establishment of work stations and for claiming reimbursement for travel expenses incurred by any person who is required to move a household As a requirement of being employed by and/or continuing employment for the State. Payment for moving

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of households shall be made in compliance with this Circular. A State Traveler is entitled to payment of moving or relocation under the following terms and conditions as provided for by this Circular:

- (A) This Circular applies to all moving of households conducted on behalf of the State by current and/or prospective employees.
- (B) Expenses are reimbursed for both current State employees and for prospective State employees.
- (C) The required qualifications for the position must be submitted with the request.
- (D) Reimbursement of expenses is limited to ESM SAM/PAT 1, II & III positions and PAT or SAM/Pat positions with Recruitment Differentials.
- (E) Prior approval is required by both the Department and the State Budget Agency before the Agency can give the authorization for any move or relocation.

Section 8-2 Establishment of a Work Station

An Agency Head may wish to designate the work station of an employee to be a place other than the central office or a branch office of the Agency. A State Traveler can qualify for a remote work station under the following conditions:

- (A) If an employee spends less than fifty percent of the time, over a period of at least ninety (90) days, within thirty (30) miles of an office of the Agency;
- (B) If the Agency Head explains in writing how the designation maximizes efficiency and economy for the State; and
- (C) If the determination is made at least once per fiscal year and submitted to the Auditor of State with copies to the Department and the State Personnel Department.

Section 8-3 Reimbursement for Moving Expenses Due to a Change of Work Station

If an Agency requires an employee to change to a new work station and as a result of the change the employee must relocate a residence, the employee shall be reimbursed for moving expenses under the following conditions:

- (A) The employee must have been employed by the State for at least six (6) months prior to the required change of station except when the employee attends established training programs approved by the Department.
- (B) Both the change of station and the change of residence must be greater than thirty (30) miles.
- (C) The Agency Head must explain the Agency's need for the change of station.
- (D) The Department must approve the change of station prior to the move.
- (E) The approval by the Department shall be based on the following:
 - (1) More economical to the State than assignment to a central branch or district office.
Example—Station would be the center of proposed territory;
 - (2) Type of work –field work in a territory, etc.;
 - (3) Number of required days in the vicinity of permanent office;
- (F) Reimbursement is also allowable if the change of station is required because the employee becomes employed by a different State Agency. The employing Agency may make:
 - (1) The request;
 - (2) The determination of the Allowable Amount:
 - (a) Either the Allowable Reimbursement; or
 - (b) Actual Expenses up to the Allowable Reimbursement; and
 - (3) Payment for the move;
- (G) The allowable amount of reimbursement for a change of work station is limited to one-way mileage and one (1) of the following rates:
 - (1) Moving Rate A – if the employee moves an entire household;
 - (2) Moving Rate B – if the employee moves an entire household using a State-owned vehicle; or

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- (3) Moving Rate C – if the employee must move only minor household items and personal effects;
- (H) To receive the allowable reimbursement, proof of the move must be attached to the travel voucher and shall include all original receipts when claiming actual expenses.
 - (1) For Rate A this proof can be in the form of original receipts for the move from a moving company, for a lease-rental van, etc.
 - (2) For Rates B and C evidence of a change of residence can be in the form of utility bills addressed to the employee at both locations.
 - (3) It shall be the duty of the employee's immediate supervisor to secure sufficient information to be able to certify on the face of the travel voucher which of the above mentioned provisions apply and that the change of station was necessary.
 - (4) A copy of the prior approval must also be attached.

Section 8-4 Reimbursement for Interview Expenses

An Agency may reimburse persons seeking employment for interview expenses under the following terms and conditions:

- (A) The commitment for reimbursement is at the discretion of the Agency Head, but reimbursement may not be promised to any person unless it is a necessary condition and only after it has had Administrative Approval as defined in subsection "C".
- (B) The Agency Head must certify in writing that the interview of the person is in the best interest of the State.
- (C) Administrative approval is required, in writing, prior to incurring the obligation, in the following sequence:
 - (1) The Department, and
 - (2) The Budget Agency.
- (D) The required qualifications for the position must be submitted with the request.
- (E) Reimbursement of expenses is limited to ESM SAM/PAT 1, II & III positions and PAT or SAM/PAT positions with Recruitment Differentials.
- (F) Travel expenses for current and prospective employees will be reimbursed in accordance with this Circular and the rates in effect at the time of the travel.
- (G) If lodging for overnight travel is approved, compliance with Section 6 shall be explained to the prospective employee.
- (H) The proper expense classification is 519900 and is to be paid from the account from which the person's salary will be paid. The person's social security number is required.
- (I) A person shall only be reimbursed for one (1) trip related to each position be interviewed.
- (J) The number of persons interviewed for the same position should be limited to a reasonable number.
- (K) The allowable reimbursement is limited to the usual travel expenses actually and necessarily incurred for the person only-either round-trip coach fare or mileage and up to two (2) nights including three (3) days of travel status, based on this Circular, subject to actual circumstances.
 - (1) Arrangements for airfare must be secured through the Departments' Travel Division.
 - (2) Transportation expense may include round trip mileage for one (1) personal vehicle.
 - (3) All Reimbursements, except food and mileage, shall be supported by original receipts.
- (L) The claim for reimbursement for the Interview shall be processed upon completion of the travel.

Section 8-5 Pre-employment Travel

- (A) On occasion it is desirable and in the best interest of the State for an individual who has accepted employment with the State but has not actually begun work to attend meetings or otherwise engage in activities on behalf of the State. Examples include orientation sessions and scheduled meetings of a State board or commission with which the employee will be working.

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- (B) Expenses incurred in such activities may be reimbursed by a State Agency as a part of the Interviewing and Relocation Expenses so long as the expenses are in accordance with this Circular.
- (C) Such expenses count towards the overall maximum limitation on interviewing and Relocation Expenses.

Section 8-6 Reimbursement of Relocation Expenses For New Hires

- (A) The commitment for reimbursement is at the discretion of the Agency Head, but reimbursement may not be promised to any person unless it is a necessary condition of employment and only after it has had Administrative Approval as defined in subsection "C".
- (B) The Agency Head must certify in writing that the hiring of the person is in the best interests of the State.
- (C) Administrative approval is required, in writing, prior to incurring the obligation, in the following sequence:
 - (1) The Department, and
 - (2) The Budget Agency.
- (D) The required qualifications for the position must be submitted with the request.
- (E) Reimbursement of expenses is limited to ESM SAM/PAT I, II & III positions and PAT or SAM/PAT positions with Recruitment Differentials.
- (F) Requests for Administrative Approval for relocation shall be accompanied by, at least, three (3) written estimates from either moving companies or equipment rental companies if it is a self-move.
- (G) Prospective employees, who have never before been reimbursed for moving as a new hire by the State, residing outside the State may be reimbursed for these expenses.
- (H) Prospective employees, who have never before been reimbursed for moving as a new hire by the State, residing inside the State seeking employment in excess of one hundred fifty (150) miles from the current home or station may be reimbursed for these expenses.
- (I) Travel expenses for current and prospective employees will be reimbursed in accordance with this Circular and the rates in effect at the time of the travel.
- (J) If lodging for over-night travel is approved, compliance with Section 6 shall be explained to the prospective employee.
- (K) The proper expense classification is 519900 and is to be paid from the account from which the person's salary will be paid. The person's social security number is required.
- (L) Relocation expenses are limited to the usual travel expenses actually and necessarily incurred for house hunting trips (including expenses of a spouse or equivalent) and transportation of household items and family at the time of the move.
 - (1) House hunting trips may include airfare for up to two (2) persons, or round trip mileage, lodging for the family and subsistence for up to two (2) persons, subject to the prior approval.
 - (2) Arrangements for airfare must be secured through the Department's Travel Division.
 - (3) Transportation expense may include one-way mileage for one (1) personal vehicle.
 - (4) All Reimbursements, except food and mileage, shall be supported by original receipts.
- (M) Based on the actual circumstances, the person may be approved for no more than three (3) nights of lodging, including the corresponding days of subsistence, for the combination of house hunting and moving.
- (N) Payment of all necessary relocation expenses actually incurred may not exceed the lesser of Moving Rate D times the starting salary authorized for the position or Moving Rate E, less any payments for interviews or pre-employment travel to the same person.
- (O) Reimbursement for relocation expenses will only be made after the employee has completed the move and paid all expenses. An original paid receipt, which either includes an itemized bill, or together with an itemized bill from the moving company, shall be attached to the claim for reimbursement.

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- (P) Agencies should strive to expediently process properly completed claims within two weeks or less.

Chapter 9. Record Keeping

Section 9-1 Requirements for Receipts

Section 9-2 Lost Receipts Procedure

Section 9-3 Claim Forms

Section 9-4 Claim Amounts

Section 9-1 Requirements for Receipts

Except as provided below, a person requesting reimbursement for the actual cost of any item of expenditure must include an original paid receipt with the claim for reimbursement. (Most credit card receipts will not qualify as a receipt by themselves, but they can be used as a "Proof of Payment" if a lodging bill does not indicate it has been paid.) This includes, but is not limited to: lodging bills, passenger coupons, and taxi or cab receipts (including tip), all indicating "paid in full". Other items such as tip to airport porters are not reimbursable. Original receipts may not be altered, and to prevent distortion they may not be marked up with "High-Lighters". The type and acceptability of receipts are as follows:

- (A) The type of receipts may be hand written or preprinted, but must be legible and conform to the following standards:
 - (1) Written receipts:
 - (a) must be signed by payee,
 - (b) must indicate amount paid,
 - (c) can not contain alterations to dollar amounts,
 - (d) must indicate purpose for payment,
 - (e) must give name of payer, and
 - (f) must give date of payment.
 - (2) Preprinted receipts:
 - (a) must give name of payee,
 - (b) must indicate amount paid, and
 - (c) must indicate purpose of payment.
- (B) Examples of acceptable receipts are as follows:
 - (1) For lodging-a hotel/motel bill must contain the following:
 - (a) name of payee and address of lodging,
 - (b) number of persons in the room,
 - (c) daily charge for the room
 - (d) dates or room usage, and
 - (e) indication that payment was made for the room
 - (2) For air fare-the passenger coupon portion of the airline ticket;
 - (a) is required for either direct payment or reimbursement,
 - (b) must indicate the name of the passenger, and
 - (c) must indicate the routing and dates of travel.
 - (3) For taxi or cab fare, must also indicate the starting point and destination (i.e. airport to hotel).

Section 9-2 Lost Receipts Procedure

If a receipt for any item of expense has been lost or is unobtainable, the following may be substituted:

- (A) Airfare: documentation from the airline or travel agent.
- (B) Lodging: statement from provider or copy of lodging bill and paid receipt.
- (C) Moving: statement from provider or copy of moving bill and paid receipt.

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- (D) Other: Certificate of Missing Receipt. (State Form No. 42275) A copy of this form has been distributed to each agency and should be used as a master for reproduction as needed. The form is to be attached to the claim for travel and must be approved by the Commissioner's designee.
- (E) All claims for reimbursement which are accompanied by substitutions for original receipts must all be approved by:
 - (1) for employees, the Agency Head and the employee's immediate supervisor;
 - (2) for contractors and board or commission members, the Agency Head;
 - (3) for the Agency Head, the Commissioner.

Section 9-3 Claim Forms

All requests for reimbursement must be submitted on forms provided by the Agency and prescribed or approved by the State Board of Accounts. The forms to be used are travel vouchers for all State employees, Board or Commission members, and claim vouchers for all others. All voucher must be pre-audited and approved by the Agency prior to be submitted to the Auditor of State's Office for payment.

Section 9-4 Claim Amounts

Travel Claims totaling less than ten dollars (\$10.00) shall be filed no more frequently, than quarterly less than fifty dollars (\$50.00) shall be filed no more than once per month; more than fifty Dollars (\$50.00) shall be filed at least within sixty (60) days of the first trip.

Chapter 10. Rate Schedule *Effective January 1, 2004

Section 10-1 Subsistence Allowance Daily Rates	Section 10-4 Moving Rates
Section 10-2 Specific Countries Daily Rates	Section 10-5 Other Rates of Reimbursement
Section 10-3 Mileage Allowance Rates*	Section 10-6 Expenditure Classifications

Section 10-1 Subsistence Allowance Daily Rates

Maximum Allowable Reimbursement Rates:

A = \$26.00 B = See Section 10-2 C = \$50.00* D = \$32.00
*subject to I.R.S. Limits

Section 10-2 Specific Countries Daily Rates:

Japan = \$90.00 Korea and Taiwan = \$85.00
China, France, Germany, Great Britain, the Netherlands & Singapore = \$65.00

Section 10-3 Mileage Allowance Rates

(A) In-State Mileage Reimbursements Rates

- (1) must be computed using the current State of Indiana Highway Map.
- (2) Personal Automobile Mileage Rate A = \$0.34 per mile

(B) Out-of-State Mileage Reimbursement Rates

- (1) Apply to the total round-trip mileage per trip.
- (2) The maximum of 500 miles would be reduced to 250 miles when computing one way mileage, etc.
- (3) Each trip starts and ends at the person's home or station.
- (4) The total miles shall be computed from a current reliable atlas or may be supplied by the Auditor of State, Travel Section.
- (5) Section 10-4 Moving Rates-Maximum Allowable Reimbursement Rates:

Personal Automobile Mileage Rates:

B = \$0.34 per mile for first 500 miles
C = \$0.17 per mile for the next 2,000 miles
Mileage will not be approved for trips in excess of 2,500 miles.

A-\$780 B-\$390 C-\$234 D-10% E=\$5,000

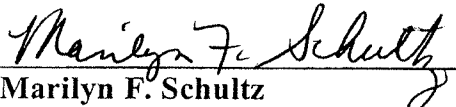
Section 10-5 Other Rates of Reimbursement

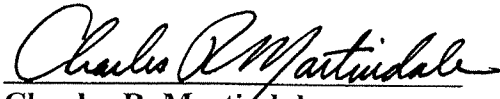
Maximum Allowable In-State Lodging Rate = \$79.00 plus tax

Section 10-6 Expenditure Classifications

- (A) For State Employees, Board or Commission Members:
 - (1) Use Object 580000 series for In-State Travel
 - (2) Use Object 590000 series for Out-of-State Travel
- (B) For All other Persons, Contractors, and Companies:
 - (1) Use Object 519900 when using a Social Security Number
 - (2) Use Object 519800 when using a Federal I.D. Number
- (C) For Interview and Relocation Expenses:
 - (1) Use Object 519900 when using a Social Security Number
 - (2) Use Object 5198000 when using a Federal I.D. Number

Financial Management Circular 97-1.1 and 97-1.2 are hereby repealed:


Marilyn F. Schultz
Director, State Budget Agency


Charles R. Martindale
Commissioner, Department of
Administration

12/31/03
Date

12/31/2003
Date